

MICHAEL REY
23161 MILL CREEK DR STE 250
LAGUNA HILLS, CA 92653-7935



Home Insurance Renewal

PAMELA NYE
1335 PALISADES DR
PACIFIC PALISADES CA 90272

8/3/2023

Dear Pamela Nye,

Thank you for choosing Farmers for your homeowners insurance needs. We appreciate the opportunity to offer continued coverage for you and your family contingent upon payment toward the premium as stated below.

Please review the renewal offer documents that have been enclosed:

- Declaration page – a summary of your insurance coverages, limits, and deductibles
- Detailed reconstruction cost estimate of your home

A summary of your premium and policy change information is shown below. With this renewal, you'll see an increase in your home coverage limits. This change reflects the rising cost to replace homes in your area, including labor and construction materials.

Premium at-a-glance

► **Policy Premium** **\$4,900.00**

Summary of changes

	Previous	Renewal
Coverage: Dwelling	\$614,000	\$644,000
Discount: Good Payer	Not Included	Included
Discount: Preferred Payment Plan	Not Included	Included
Siding - Alum. or Metal %	0	20
Synthetic Stucco %	0	80

Your Farmers Policy

Policy Number: 33667-75-00

Effective: 10/14/2023 12:01 AM

Expiration: 10/14/2024 12:01 AM

Property Insured

1335 Palisades Dr

Pacific Palisades, CA 90272-2153

Your Farmers Agent

Michael Rey

23161 Mill Creek Dr Ste 250
Laguna Hills, CA 92653-7935
(949) 487-9661

mrey@farmersagent.com

To file a claim log on to [Farmers.com](https://www.farmers.com)
or the Farmers® Mobile App or call
1-800-435-7764

Did you know?



Farmers Friendly Review

Contact your agent to learn more about the policy discounts, coverage options, and other product offerings that may be available to you.



Go Paperless

Save stamps, time and trees....Go Paperless! You can choose to receive your Farmers policy documents and/or billing statement electronically. Enroll at [farmers.com](https://www.farmers.com) and choose the paperless options!



Go Mobile

The Farmers® Mobile App gives you 24/7 account access on the go. Text GETAPP to 29141 to download it today!

Renewal (continued)

This is not a bill. Your bill with the amount due will be mailed separately.

If you prefer, you can log into farmers.com today to review your balance and make a payment. You can also contact us at 1-877-327-6392 or visit your agent's office with your payment.

Sincerely,

Farmers Insurance Group®



Your Coverage At A Glance

Insurance policies are contracts - long and full of details. Where do you even start? Farmers is here to help, with these highlights of your coverage and limits.*



Congrats! You have the following Features and Discounts:

Features

- ✓ Claim Forgiveness
- ✓ Declining Deductibles®

Discounts

- ✓ Preferred Payment Plan
- ✓ Group - Nurse
- ✓ Good Payer
- ✓ Claim Free

Policy Notices

Additional Coverages for Your Homeowners Insurance Policy

Homeowners insurance starts with standard coverages, such as the cost to repair or replace your home after a covered loss, the cost to repair or replace damaged or destroyed personal property, and personal liability coverage. But many common risks aren't covered by a standard homeowners policy. Optional coverages let you address more risks. Here are some of our most popular options to balance coverage and costs. Any you have already chosen will show a ☒ below.



Valuable Items - Specified

Adds coverage for specific, listed items of valuable personal property, such as jewelry, cameras, artwork, furs, guns, silverware, or musical instruments. Each item must be described in detail with an agreed value. Coverage includes loss from mysterious disappearance.



Marring to Certain Metal Materials

Adds coverage for wind or hail marring to metal building materials such as gutters, and downspouts.



Cyber and Identity Shield

Provides coverage for a wide range of identity theft or cyber events, including Ransomware Support Service, Identity Theft Restoration, Data Recovery and System Restoration, Wire Transfer Fraud, and Internet Clean-up.



Zero-Deductible Glass

Pay no deductible for damaged glass attached to your home or separate structures.



Limited Leakage and Seepage

Covers water damage, up to a stated amount, that results from slow, accidental leakage or seepage of water.



Equipment Breakdown

Adds coverage for damage caused by breakdown or rupture of boilers, or mechanical, electrical, electronic or fiber optic equipment.



Home Sharing

Provides coverage for short-term rental of all or part of the home.



Water Backup and Sump Overflow - All Types of Covered Property

Coverage is available for water damage from sewer/drain backups or sump overflows, up to the stated limit. Does not cover flood damage.

This statement provides a list of some of the types of optional insurance coverages that may be available to you. Contact your Farmers[®] Agent, or us, to discuss these and other additional coverages.



Farmers Smart Plan Townhouse® Declarations

Policy Number: 33667-75-00
Effective: 10/14/2023 12:01 AM
Expiration: 10/14/2024 12:01 AM
Named Insured(s): Pamela Jane Nye Family Trust
1335 Palisades Dr
Pacific Palisades, CA 90272
pamelajanenye@neuroscienzenursing.org
Property Insured: 1335 Palisades Dr
Pacific Palisades, CA 90272-2153
Underwritten By: Farmers Insurance Exchange
6301 Owensmouth Ave.
Woodland Hills, CA 91367

Premiums

► **Policy Premium** **\$4,900.00**

*Also see Information on Additional Fees below.

This is not a bill.

Your bill with the amount due will be mailed separately.

Description of Property

Year of Construction	1973	Age of Roof	23
Construction Type	Frame with 0% - 33% Masonry Veneer	Occupancy	Owner Occupied (Primary Resident)
Roof Type	Composition Shingle	Number of Units	1
Roof Surface Material Type	Composition Shingle		

Note: Roof Surface Material Type is a grouping of similar roof types for the purpose of claim settlement. Roof Surface Material Type will be verified at the time of claim investigation and corresponds to the schedule outlined in the "Definitions" section of your policy.

Property Coverage

Coverage	Limit	Coverage	Limit
Coverage A - Dwelling	\$644,000	Coverage C - Personal Property	\$354,200
Extended Replacement Cost (In Addition to Coverage A Limit)	10% (\$64,400)	Personal Property Replacement Cost	Covered
Coverage B - Separate Structures	\$64,400	Coverage D - Loss of Use	\$128,800
		Additional Living Expense Term	12 Months

Liability Coverage

Coverage	Limit	Coverage	Limit
Coverage E - Personal Liability	\$1,000,000	Coverage F - Medical Payments to Others	\$1,000
Personal Injury	Not Covered		
Increased Limit for HOA Loss Payment	\$51,500		

Declarations (continued)

Additional Coverage Options

Coverage	Limit	Coverage	Limit
Building Ordinance or Law (10% of Coverage A or B)		Portable Electronic Equipment - Off Premises	\$5,000
Coverage A	\$64,400		
Coverage B	\$6,440		
Water Backup and Sump Overflow	Not Covered	Money	\$250
Roof Materials Loss Settlement	Replacement Cost	Deeds, Securities, Valuable Papers	\$1,000
Cyber and Identity Shield	Not Covered	Theft of Silverware, Goldware	\$2,500
Personal Property at 2nd Residence	\$35,420.00(10% of Personal Property Limit)	Fine Arts and Imported Rugs	\$5,000
Theft of Jewelry Watches Furs	\$1,000/\$2,500	Collectable Cards and Comic Books	\$200/\$1,500
Theft of Firearms	\$2,500	Watercraft and Windsurfers	\$1,500
Business Property - On Premises / Off Premises	\$2,500/\$500	Trailers	\$1,200
Motor Vehicle Parts	Not Covered		

Deductible

Type of Loss	Deductible
Liability Losses	\$0
Applicable to each covered loss except Water Loss	\$5,000
Water Loss (1% of Cov. A Limit)	\$6,440
Single Loss Deductible	Covered

Percent Deductibles adjust with changes to Cov. A Limit

How We Settle a Covered Loss for Property Claims

All loss settlement options, including replacement cost options, are subject to the terms, conditions and limitations stated in the policy, which includes its endorsements. Certain optional endorsements may contain their own loss settlement provisions not reflected here.

Property Losses	Loss Settlement Terms
Dwelling & Separate Structures (Pays up to the limits for Coverage A or B)	
Roof Materials	Replacement Cost
Wall-to-Wall Carpet	Replacement Cost
Fence	Actual Cash Value
Rest of Dwelling	Extended Replacement Cost
Personal Property Contents (Pays up to the limit for Coverage C)	Replacement Cost

Declarations (continued)

Discounts Applied to Policy

Discount Type

Preferred Payment Plan
Group - Nurse

Discount Type

Good Payer
Claim Free

Other Policy Features and Benefits

- Claim Forgiveness - this benefit prevents your premium from increasing as a result of your next claim after your policy has been in force for five years without a claim.

Mortgagee / Other Interest

1st Mortgagee

Loan Number

Jpmorgan Chase Bank, N.A.
Its Successors and/or Assigns ATIMA
PO Box 4465
Springfield, OH 45501-4465

1234242470

Policy and Endorsements

This section lists the policy form number and any applicable endorsements that make up your insurance contract. Any endorsements that you have purchased to extend coverage on your policy are also listed in the coverages section of this declarations document: 56-5683 3rd ed.; CA121 1st ed.; CA133 3rd ed.; 25-8531 10-12

Other Information

- Your policy has a Fair Plan Companion Endorsement; see endorsement CA121.
- For a lower premium, this Farmers Smart Plan Home[®] policy offers less coverage than is available in the Farmers Next Generation[®] Homeowners product. If you qualify under Farmers[®] underwriting guidelines, you may be eligible to purchase enhanced coverage in the Next Generation Homeowners product for an additional premium. You may contact your Farmers[®] agent for additional details.
- **The California Department of Insurance has developed the California Home Insurance Finder, an online tool that can assist you in obtaining insurance for your home. The Finder contains names, addresses, telephone numbers, and internet website links of licensed insurance agents, brokers, and insurance companies that may be able to sell insurance to you. The Finder is organized by ZIP Code and the languages in which the agent, broker, or insurance company sells insurance.**
- **THIS POLICY DOES NOT COVER THE PERIL OF FIRE. THERE ARE OTHER RESOURCES FOR FINDING FIRE COVERAGE, INCLUDING USING THE CALIFORNIA DEPARTMENT OF INSURANCE'S HOME INSURANCE FINDER OR PURCHASING COVERAGE FROM THE CALIFORNIA FAIR PLAN ASSOCIATION.**
- You may obtain an application form from your insurance agent, broker, or directly from the California FAIR Plan, Public Affairs Department. The office is located at 3435 Wilshire Boulevard, Suite 1200, Los Angeles, California 90010. The telephone number is (800) 339-4099. You may also obtain an application from the California FAIR Plan website at <https://www.cfpnet.com/>.

Declarations (continued)

- Farmers Friendly Reviews[®] are a great way to make sure you are receiving all the discounts for which you qualify, and identify any potential gaps in coverage. Contact your agent to learn more about the policy discounts, coverage options, and other product offerings that may be available to you.
- This policy includes 10% Building Ordinance coverage (calculated as a percentage of coverage A or B) as applied per the policy.
- The limit of liability for this structure (Coverage A) is based on an estimate of the cost to rebuild your home, including an approximate cost for labor and materials in your area, and specific information that you have provided about your home.
- This policy contains a flood exclusion. Flood coverage may be purchased separately from the National Flood Insurance Program, if available in your area.
- This policy contains an earthquake exclusion. Contact your agent for information concerning the availability of earthquake coverage.
- Building Ordinance or Law Coverage is subject to terms, conditions, and restrictions that are identified on a separate disclosure form attached to your Declarations.

***Information on Additional Fees**

The “Fees” stated in the “Premium/Fees” section on Page 1 apply on a per-policy, not an account basis. The following additional fees also apply:

- | | |
|--|--|
| 1. Service Charge per installment (In consideration of our agreement to allow you to pay in installments): <ul style="list-style-type: none">- For Recurring Electronic Funds Transfer (EFT): \$0.00 (applied per account)- For Recurring Credit/Debit Card plans: \$5.00 (applied per account)- For all other payment plans: \$7.00 (applied per account) | 2. Late Fee: \$15.00 (applied per account)
3. Returned Payment Charge: \$25.00 (applied per check, electronic transaction, or other remittance which is not honored by your financial institution for reasons including, but not limited to, insufficient funds or a closed account)
4. Reinstatement Fee: \$25.00 (applied per policy) |
|--|--|

One or more of the fees or charges described above may be deemed a part of premium under applicable state law.

If this account is for more than one policy, changes in these fees are not effective until the revised fee information is provided for each policy.

Policy Notices

BUILDING ORDINANCE OR LAW DISCLOSURE

Your policy includes Building Ordinance or Law coverage subject to certain terms, conditions and restrictions. This disclosure provides a description of the terms, conditions and restrictions for this coverage. This disclosure is provided for informational purposes only. It is not a part of your policy and does not affect or provide coverage, in and of itself.

Coverage and Limits.

We will pay up to the percentage of the applicable Coverage A or Coverage B stated limit, shown in the Declarations, for the increased costs that you actually and necessarily incur when you repair, replace, rebuild, demolish or remove, hereinafter "repair", covered loss or damage to the dwelling or separate structure because of or resulting from the enforcement of any building law.

- o This Coverage is additional insurance.
- o The building law must be adopted by the local government in which the dwelling is located, be in force at the time of the covered loss or damage and directly apply to the part of the dwelling or separate structure which sustained damage.
- o Enforcement of the building law must directly apply to the "repair" of:
 - that specific part of the dwelling or separate structure which has sustained damage; or
 - to undamaged parts of the dwelling or separate structure, which is "physically necessary" in the course of repairs to complete the "repair" of that part of the dwelling or separate structure which has sustained the covered damage. "Physically necessary" does not include where building law does not apply to the covered damage, but a governmental authority will not approve or permit "repair" of the covered damage unless you or anyone acting on your behalf also complies with that building law.
- o If you should rebuild the dwelling or separate structure at another location, then we will only pay in the Extension of Coverage the increased costs that you would have incurred to "repair" the dwelling or separate structure at the same location.
- o The decision whether or not a building law applies will be reviewable by a court.
- o We do not cover:
 - the actual or perceived loss in value to the dwelling or separate structure due to the requirements of any building law;
 - the cost to "repair", stabilize or otherwise restore land;
 - the costs to comply with any building law which requires an insured or others to remediate the dwelling or a separate structure, or a part thereof;
 - the increased cost to "repair" if the dwelling or separate structure is not intended for the same type of occupancy as the pre-loss event dwelling or separate structure;
 - the increased cost to "repair" the dwelling or separate structure until it is actually "repaired";
 - increased costs of construction, renovation, repair or replacement that are a result of your failure to timely undertake repairs or rebuilding of loss or damage;
 - the costs of demolition if you should fail to reasonably mitigate or "repair" loss or damage and as a result the dwelling or separate structure then becomes subject to demolition;
 - those costs of complying with any building law that you were required to comply with before the covered loss or damage, even if the building law was not being enforced, and which building law you failed to comply with;
 - those costs of complying with any building law that regulates the zoning or use of the dwelling or separate structure; or
 - those costs of conforming, correcting or remedying any original or subsequent construction, addition, modification, renovation or repair to a building or other structure which did not conform to a building law in effect

Policy Notices (continued)

- when the construction, modification, renovation or repair was performed.
- o The coverage is subject to all other policy terms, exclusions, deductibles and conditions.

Policy Notices

Important Information About Your Policy

The following provides you with information about changes to your home policy, effective upon its renewal. Enclosed is the renewal offer for your homeowners policy. Your current policy edition, the Farmers Smart Plan Home® Policy 2nd Edition, has been revised to a 3rd edition. With this renewal we are offering you the Farmers Smart Plan Home® Policy 3rd Edition.

This message is provided for informational purposes only. It is not a part of your policy and does not affect or provide coverage, in and of itself. Since the policy, including its declarations and endorsements, is your contract with us, it takes precedence over this message. For a more detailed description of your coverage, please refer to your policy documents. The Farmers Smart Plan Home® Policy 3rd Edition includes, but is not limited to, the following changes from the 2nd edition:

Enhancements of Coverage

- In Accuracy of Information and Changed Circumstances, your notification time frame for any incorrect or incomplete information, or changes has been changed from 60 days to as soon as reasonably practicable.
- Definitions:
 - o “Your civil union partner” has been added to the definition of you and your.
 - Any marriage, civil union, or domestic partnership must be legally entered into per local, state, or federal laws of the United States and its territories, or another country, prior to the date of a loss.
 - o For 30. Personal injury, the following items have been added or revised:
 - the wrongful eviction from, wrongful entry into, or physical invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - oral or written publication of material that slanders or libels defamation of character a person or organization or disparages a person's or organization's goods, products, or services; or
 - oral or written publication of material that violates a person's right of privacy.
 - o For 31. Plumbing system, a plumbing system now also includes any removable hose, tool, device, appliance or implement attached to the plumbing system; or a sprinkler system attached to water distribution pipes by any type of hose or a fire suppression sprinkler system.
- Section I - Types of Property Insured, Special Limits on Certain Personal Property:
 - o In 1.c., the limit for Money, Currency, Gift Certificates and Cards, Scrip, and Metals has been increased to \$250.
 - o 5. Electronic data processing equipment, media and data has been changed to 1.h. Portable Electronic Equipment - Off Premises, and applies to portable electronics and its data while off the residence premises. This does not include business property. The special limit is \$5,000.
 - o In 2.b., the limit for Firearms has been increased to \$2,500.
 - o In 2.c., the limit for Silverware, Goldware, Platinum Ware, and Pewter Ware has been increased to \$2,500.
- In Section I - Types of Personal property Not Insured, 5., watercraft and windsurfers including their trailers, furnishings, equipment, and outboard motors are covered while being carried on, towed, by, or hitched for towing to a motor vehicle unless the loss or damage is caused while that motor vehicle is in motion, or by another motor vehicle that is in motion.
- In Coverage D (Loss of Use), 1. Additional Living Expenses, at our option we will advance monthly amounts for additional living expenses as described in the policy. We also will advance up to \$1,500 toward refundable deposits for leasing temporary housing as described in the policy.
- Section I - Extensions of Coverage:
 - o 1. Limited Water Coverage:
 - a.(2) is changed to read: “hail, rain snow, or sleet entering a building structure caused by the following.”

Policy Notices (continued)

- In a.(4), v., “a hydrant” has been added.
- At the end of b., “a hydrant” is added to the end of the first paragraph.
- o In 2. Extended Replacement Cost - Coverage A, the 3rd paragraph below subsection e., replacing or purchasing a new or existing dwelling at a different location has been added as another option for repair or replacement of the dwelling. Extended Replacement Cost coverage will only be based on the costs to repair, rebuild, or replace the dwelling as if at the same location.
- o In 3. Building Ordinance or Law, letter e. is added for purchasing a new or existing dwelling at a different location as another option for repair or replacement of the dwelling. Additional provisions for payment in this subpoint have been added.
- o In 13. Lock Re-keying, “replacing, recoding, programming, or re-programming” has been added when keys or remote devices used with exterior doors of the dwelling or separate structure are part of a covered loss. This is additional insurance.
- Section I - Uninsured Types of Damage and Excluded Causes of Loss or Damage, B. Excluded Causes of Loss or Damage:
 - o In 14. Governmental Action, b. subpoint (2) has been added, covering direct, physical loss or damage caused by acts of confiscation, seizure, damage, or destruction of your property by any governmental authority, or order of governmental authority in response to a medical emergency on the residence premises by emergency personnel.
 - In b.(3), “or who is not a home sharing occupant” has been added to the end of the sentence.
 - o In 21. Vandalism or Malicious Mischief or Arson, a.(1), the 30-day period begins on or after the original inception date of the policy.
- Section I - Property Conditions:
 - o In 5. How We Settle Covered Loss, subsection a.(1), in the 3rd paragraph, options to rebuild, replace, or purchase a new dwelling at another location are for dwellings or separate structures damaged beyond reasonable repair. Additionally, purchasing a new dwelling at a different location has been added as another option for repair or replacement. Replacement cost coverage will only be based on the costs to repair, rebuild, or replace the dwelling or separate structure as if at the same location.
 - o In 5. How We Settle Covered Loss, subsection a.(3), optional replacement cost coverage has been added for fences.
 - o In 8. Deductible Clause, Single Loss Deductible provision has been added as subpoint c.
- In Section II - Liability Coverage, Coverage F (Medical Payments to Others) 2., “acupuncture and related procedures of a similar nature” has been removed.
- In General Conditions - Applying to the Entire Policy, 3. Joint Obligations, this condition is subject to Section I - Property Conditions, Intentional Acts, Criminal Acts, and Fraud.

Reductions of Coverage

- Definitions:
 - o For 2. Aircraft, letter b. is changed to read: Aircraft does not include model, hobby, or small unmanned aircraft not used or designed to carry people or cargo, unless deemed to be an aircraft by a federal or governmental agency operated strictly for recreational purposes and:
 - (1) in compliance with local, state, and federal laws, rules, and regulations; or
 - (2) operated by a person thirteen years of age or younger.
 - o 7. Business now includes a home share business, and incidental and infrequent personal economic activity such as a garage or yard sale, or hobby, is limited to no more than \$2,500 in gross annual income.
 - o The term Home share business has been added as subpoint 16 and defined.
 - o The term Home-sharing network platform has been added as subpoint 17 and defined.
 - o The term Home-sharing occupant has been added as subpoint 18 and defined.
 - o 24. Motor vehicle now includes E-bicycles, including a pedal-assist bicycle that has a motor that provides assistance only when the rider is pedaling, gas powered bicycles, and other similar items.
 - o For 25. Noxious substance, the words “or may be an irritant or nuisance” have been added to the end of the definition.

Policy Notices (continued)

- Section I - Types of Property Insured:
 - o In Coverage C (Personal Property), 1., “home-sharing occupants” has been added to personal property owned by others that is not covered.
 - o Special Limits on Certain Personal Property:
 - In 1.b., Business property limits include computers, electronic data processing equipment, and accessories and recording or storage media used with the foregoing. The limit is changed to \$2,500 while on the residence premises, and \$500 while off the residence premises.
 - 5. Electronic data processing equipment, media and data has been changed to 1.h. Portable Electronic Equipment - Off Premises, and applies to portable electronics and its data while off the residence premises. It does not include business property.
 - 9. Imported rugs, carpets and tapestries has been changed to 1.i. Fine Arts and Imported or Specialty Rugs, adds a description of imported and specialty rugs, and changes coverage from theft to accidental, direct, physical loss or damage as outlined in Section I - Loss or Damage Insured. The special limit is \$5,000.
 - In 2.a. Jewelry, Watches, Precious and Semi-Precious Stones, and Furs, “smartwatches” has been added to the list of jewelry items. Additionally, a pair is considered one article.
- Section I - Types of Personal Property not Insured:
 - o The following has been added as subpoint 4.: “Campers, camper shells, slide on campers, and canopies. This includes their furnishings and equipment while carried on, attached to, or in the camper. This does not include camper trailers.”
 - o In 7. Motor vehicles, excluded motor vehicles are based on the updated definition of motor vehicle. Motorized golf carts are no longer covered.
 - o “Home-sharing occupants” has been added to subpoint 12.
 - o Subpoint 13. has been added, excluding property of home-sharing occupants or any other person occupying the residence premises as a result of any home share business.
 - o Marijuana has been added to subpoint 15. Coverage may be provided as described in Extensions of Coverage, and is limited to \$300 in any form.
- Coverage D (Loss of Use):
 - o In 2. Loss of Rents, we do not cover any loss of rents for a home share business.
 - o In 3. Prohibited Use, we do not cover any prohibited use for a home share business.
- Section I - Extensions of Coverage:
 - o In 5. Trees, Shrubs, Plants, and Lawns, we will cover trees, shrubs, plants, and lawns solely owned by you and located on the residence premises for accidental, direct, physical loss or damage resulting from the perils listed in this extension.
 - Marijuana is added to property not covered in this extension.
 - o In 8. Food Spoilage, this Extension of Coverage does not include an intentional or planned power outage by a utility company. Additionally, coverage is limited to \$500 with a \$50 deductible. The policy deductible does not apply.
 - o In 9. Identity Fraud, we have removed coverage for the reimbursement of costs and expenses due to an identity fraud loss. Additionally, the \$500 coverage for costs and expenses related to your duties after loss has been removed.
 - o In 11. Artificially Generated Electrical Current, this extension applies to all covered property. It is not additional insurance and is subject to the Coverage, A, B, and C stated limits, as applicable.
 - o Marijuana has been added as subpoint 15 with a limit of \$300 for marijuana in any form.
- Section I - Uninsured Types of Damage and Excluded Causes of Loss or Damage, A. Uninsured Types of Loss or Damage:
 - o In 12. Movement, Settling, Cracking, Bulging Shrinking, Heaving, Bending, or Expanding, footings has been added.
 - o Home Share Business has been added as subpoint 14 to uninsured types of loss or damage.

Policy Notices (continued)

- o Existing Damage has been added as subpoint 15 to uninsured types of loss or damage.
- o In 16. Exceptions to Uninsured Types of Loss or Damage, a.(2)ii., marring by wind or hail is not covered for any metal component part of windows or window framing; or any metal component part of doors or door framing.
- Section I - Uninsured Types of Damage and Excluded Causes of Loss or Damage, B. Excluded Causes of Loss or Damage:
 - o In 18. Destructive Acts, discharge of a nuclear weapon shall be deemed a warlike act even if accidental.
 - o In 21. Vandalism or Malicious Mischief or Arson, b., the 60-day time period can begin before the original inception date of the policy.
 - o In 22. Pests or Animals, b. animals or creatures owned or kept by home- sharing occupants are excluded. Additionally, racoons, skunks, and opossum have been added to the list of excluded pests, and "spiders" is removed and replaced with "arachnids".
 - o In 37. Illegal Substances, loss or damage in this exclusion applies regardless of who caused the damage. Additionally, marijuana and cocaine have been added.
- In Section I - Property Conditions, 11. Intentional Acts, Criminal Acts, and Fraud, letter b. is changed to read, "intentionally caused, conspired to cause, or arranged for the loss or damage;"
- Section II - Liability Extensions of Coverage:
 - o In 3. Damage to Property of Others, the per occurrence cost has been reduced to \$1000.
 - o In 4. HOA Loss Payment Coverage:
 - This coverage is for your share of any assessment levied against you and other owners of units by the association during the policy period.
 - The HOA loss payment stated limit that applies is the limit that is in force on the later of the effective date of the policy period stated in the Declarations; or the date of the loss or damage or the occurrence leading to the assessment.
 - o In 5. Personal Injury, the following is added: "we do not have any duty to defend or settle any suit involving actual, alleged, threatened, or declared personal injury not covered under this liability insurance. This applies whether or not the suit is groundless, false, or fraudulent."
- Section II - Liability Exclusions:
 - o In 2. Business, this exclusion includes a home share business.
 - o In 3. Business or Professional Services, this exclusion includes a home share business.
 - o In 7. Rental Property, "tenants", "roomers" and "live-ins" has been added to subpoint c., and this exclusion includes a home share business.
 - o In 18. Destructive Acts, "association" has been added to the list in the second sentence.
 - o In 20. Illegal or Controlled Substance, the words "cultivation", "processing", "marijuana", and "explosives" have been included in this exclusion for bodily injury, property damage, or personal injury. Additionally, "by any insured" has been added to the end of the first sentence.
 - o Home Share Business has been added as exclusion 30.
 - o Aggression has been added as exclusion 31.
- In General Conditions - Applying to the Entire Policy, 8. Cancellation, b.(3)v., the word "underwriting" has been removed.

Miscellaneous Changes

- Definitions:
 - o For 24. Motor vehicles, subsection b. was moved here from Section I - Types of Personal Property not Insured, Motor vehicles.
 - o For 28. Occurrence, as applied to Section II - Liability, the words "including exposure to conditions" have been added after "an accident" at the beginning of the definition.
 - o Wild fire damage definition has been removed.

Policy Notices (continued)

- Section I - Types of Property Insured:
 - o In Coverage A (Dwelling), “Appliances that are built-in or permanently affixed to your dwelling” has been added as subpoint 3.
 - o In Coverage B (Separate Structures), the first sentence is changed to read, “We insure separate structures including appliances that are built-in or permanently affixed.”
- Coverage D (Loss of Use):
 - o In 3. Prohibited Use, the definition of a neighboring premises has been removed.
 - o In the last paragraph, expiration of the policy does not limit the time periods in this section, in addition to the policy factors listed.
- Section I - Extensions of Coverage:
 - o In 1. Limited Water Coverage, a new paragraph is added to the end providing an explanation of water coverage if you have a Farmers Smart Plan Home Townhouse® Policy.
 - o Contents Replacement Cost coverage has been moved to Section I - Settlement Conditions, 5. How We Settle Covered Loss, subpoint b.
- Section I - Limitations of Loss or Damage, Wildfire Smoke, Soot, Char, Ash or Odor Damage has been removed.
- Section I - Property Conditions:
 - o In 4. Emergency Services, in the 2nd paragraph, emergency services are also subject to your policy deductible.
 - o In 5. How We Settle Covered Loss, a.(1), in the 3rd paragraph, options to rebuild, replace, or purchase a new dwelling at another location are for dwellings or separate structures damaged beyond reasonable repair.
 - o In 5. How We Settle Covered Loss, Actual Cash Value settlement for contents has been moved to Section III - Additional Optional Coverages You May Purchase.
 - o In 11. Intentional Acts, Criminal Acts, and Fraud, this condition will not apply to an innocent insured for damage by fire, subject to certain requirements and limitations.
 - o In 13. Loss Adjustment and Payment, the 2nd paragraph, the defined term “incurred property damage” has been removed from the condition and replaced with “amount of loss or damage, or the cost of repair or replacement of the loss or damage.”
 - o In 14. Abandoned Property - Our Option, the timeframe for when we will give you written notice of our intention after receipt of your signed sworn statement of loss or the written agreement from the appraisal has been changed to 15 days.
- In Section II - Liability Exclusions, 20. Illegal or Controlled Substance, the last sentence is changed to read “This exclusion does not apply to the legal use, per both state and/or federal law, of legally prescribed drugs by a person following orders of a licensed physician.”
- Section III - Optional Additional Coverages You May Purchase has been added.
 - o If your prior policy includes any of the following optional endorsements, these endorsements are no longer available, and the optional coverages below have now been incorporated into section A.:
 - J6239 Wind or Hail Coverage - Trees, Shrubs, Plants, and Lawns is now Landscaping Wind and Hail.
 - J6260 Residence Glass Waiver of Deductible Endorsement is now Zero Deductible Glass.
 - J7016 Coverage for Marring to Metal Roof Materials is now Coverage for Marring to Certain Metal Materials.
 - o Optional coverage language for Increased Limits for HOA Loss Payment has been added.
 - o If your prior policy includes the following optional endorsement, it is no longer available, and the optional coverages below have now been incorporated into section B.:
 - J6251- Increased Special Limits on Cards and Comic Books.
- General Conditions Applying to the Entire Policy:
 - o In 1. Entire Contract - Waiver or Change of Policy Provisions, any terms, conditions, and exclusions may only be changed or waived by endorsement or amended Declarations by us.
 - o Trustee Interest has been added as subpoint 5, addressing application of the policy for Section I and Section II when the deed to

Policy Notices (continued)

the residence premises is held by a Trust.

- o In 8. Cancellation, subpoint c. that addressed mortgages has been moved to Section I - Conditions, 15. Mortgage Clause, subpoint d.
- o We have moved language from 9. Renewal and Refusal to Renew, and created a new condition 10. titled Inflation at Renewal. We added language that we will round any increases in limits to the next highest \$1,000. Premium will change accordingly. Your payment of the renewal premium indicates your acceptance of any adjusted limits.
- o In 17. Changed Information, the following sentences are added to the condition:
 - The premium you are charged for this policy is based on information that you provided to us, and on information we gather from other sources.
 - You must, as soon as reasonably practicable, inform us if any of the information you have provided to us changes, is incomplete, or is incorrect. Based on the changed, completed, or corrected information we gather from you or any other sources, we may decrease or increase the premium for your policy during the policy period.
 - Any premium increase or decrease will be based on the rules and rates in effect at the inception of the policy period.
- o In 18. Additional Benefits and Services, this provision has been broadened to establish programs with independent merchants for the safety, value, or protection of your insurable property, including, but not limited to, mitigation services. We or a third party we work with, may offer or provide free or discounted devices, services, or other types of benefits. It is up to you to participate in these programs or interact with these third parties, and we do not warrant, or accept any liability regarding the third parties, or their products or services referenced in this provision.
- o In 20. Reciprocal Provisions, language has been added providing that if the time and place of the annual members meeting is changed, notice will be mailed 10 days before such time, barring a public safety incident or an emergency situation that would prevent timely notice.
- We have updated the policy with grammar, punctuation, and formatting/style changes.

We encourage you to read the new 3rd Edition policy carefully. If you have any questions about the differences between the new 3rd Edition policy and your prior 2nd Edition policy, please contact your Farmers[®] Agent.

Farmers Smart Plan Home[®] Policy - California

Introduction	4	15. Marijuana	19
Agreement	4	16. Limited Lead and Asbestos Coverage	19
Accuracy of Information and Changed Circumstances	4	Section I - Uninsured Types of Loss or Damage and Excluded Causes of Loss or Damage	
Definitions	4	A. Uninsured Types of Loss or Damage	19
Section I - Property Coverage	10	1. Water Damage	19
Section I - Loss or Damage Insured	10	2. Nuclear Damage	20
Section I - Types of Property Insured	10	3. Construction Defect	20
Coverage A (Dwelling)	10	4. Inherent Vice or Latent Defect	20
Coverage B (Separate Structures)	10	5. Contamination	20
Coverage A (Dwelling) and Coverage B (Separate Structures) ..	10	6. Breakage, Impairment, Corruption, or Failure of Personal Property	20
Coverage C (Personal Property)	10	7. Wear and Tear, Deterioration, or Mechanical Breakdown	20
Special Limits on Certain Personal Property	10	8. Marring	20
Section I - Types of Personal Property Not Insured	12	9. Corrosion, Deterioration, Decay, or Rust	20
Coverage D (Loss of Use)	12	10. Fungi	20
1. Additional Living Expense	12	11. Pathogen	20
2. Loss of Rents	13	12. Movement, Settling, Cracking, Bulging, Shrinking, Heaving, Bending, or Expanding	20
3. Prohibited Use	13	13. Building Ordinance or Law	20
Section I - Extensions of Coverage	13	14. Home Share Business	21
1. Limited Water Coverage	13	15. Existing Damage	21
2. Extended Replacement Cost - Coverage A	15	16. Exceptions to Uninsured Types of Loss or Damage	21
3. Building Ordinance or Law	15	B. Excluded Causes of Loss or Damage	21
4. Debris Removal	16	1. Earth Movement	22
5. Trees, Shrubs, Plants, and Lawns	16	2. Water	22
6. Fire Department Service Charge	17	3. Nuclear Hazard	22
7. Emergency Removal of Property	17	4. Neglect, Lack of Maintenance, or Failure to Make Repairs	22
8. Food Spoilage	17	5. Faulty, Inadequate, Defective, or Incomplete Planning, Zoning, Maintenance, Repairs, Renovation, Manufacture, or Construction	22
9. Identity Fraud	17	6. Inherent Vice or Latent Defect	23
10. Collapse of Building Structure or Structural Part of the Building Structure	18	7. Contamination	23
11. Artificially Generated Electrical Current	18	8. Wear and Tear, Deterioration, or Mechanical Breakdown	23
12. Arson, Burglary, or Vandalism or Malicious Mischief	18	9. Corrosion, Deterioration, Decay, or Rust	23
13. Lock Re-Keying	18	10. Fungi	23
14. Pet Coverage	18	11. Noxious Substance	23
		12. Pathogen	23
		13. Building Ordinance or Law	23
		14. Governmental Action	23
		15. Power Interruption	24
		16. Artificially Generated Electrical Current	24

Farmers Smart Plan Home[®] Policy - California (continued)

17. Failure to Protect Covered Property	24
18. Destructive Acts	24
19. Theft	24
20. Mysterious Disappearance	25
21. Vandalism or Malicious Mischief or Arson	25
22. Pests or Animals	25
23. Smog, Smudging, or Smoke	25
24. Pressure by Trees, Shrubs, Plants, or Lawns	25
25. Soil Conditions	25
26. Wind or Hail	25
27. Aircraft or Vehicles	26
28. Falling Objects	26
29. Collapse	26
30. Sales or Transfers of Property	26
31. Pollution	26
32. Refinishing, Renovating, Repairing, Servicing, Restoring, Reconditioning, Retrofitting, or Retouching of Personal Property	26
33. Weather Conditions	26
34. Movement, Settling, Cracking, Bulging, Shrinking, Heaving, Bending, or Expanding of any Structure	26
35. Malfunction or Failure of Software or a Computer System	26
36. Extremes of Temperature	26
37. Illegal Substances	26

Section I - Property Conditions

1. Limits of Insurance	26
2. Insurable Interest	27
3. Duties After Loss	27
4. Emergency Services	28
5. How We Settle Covered Loss	28
6. Replacement Cost Settlement - Time Limitation	30
7. Other Insurance	30
8. Deductible Clause	30
9. Loss or Damage to a Pair or Set	31
10. Appraisal	31
11. Intentional Acts, Criminal Acts, and Fraud	33
12. Suit Against Us	33
13. Loss Adjustment and Payment	33
14. Abandoned Property - Our Option	34
15. Mortgagee Clause	34
16. No Benefit to Bailee	34
17. Salvage	34

Section II - Liability

Section II - Liability Coverage

Coverage E (Personal Liability)	35
Coverage F (Medical Payments to Others)	35

Section II - Liability Extensions of Coverage

1. Claim Expenses	35
2. First Aid Expenses	36
3. Damage to Property of Others	36
4. HOA Loss Payment Coverage	36
5. Personal Injury	36
6. Workers' Compensation Coverage of Residence Employees	36

Section II - Liability Exclusions

1. Any Insured or Other Residents of any Insured's Household	37
2. Business	37
3. Business or Professional Services	37
4. Contract or Agreement - Performance	37
5. Contract or Agreement - Liability Assumed or Imposed	37
6. Agreement with Homeowners Association	37
7. Rental Property	37
8. Sale or Transfer of Property	38
9. Owned Property	38
10. Non-owned Property - Used or in the Care, Custody, or Control	38
11. Other Locations	38
12. Intentional Acts	38
13. Home Care Services	38
14. Transmitting a Communicable Sickness or Disease	39
15. Aircraft, Motor Vehicles, or Watercraft	39
16. Entrustment and Negligent Supervision - Aircraft, Motor Vehicles, or Watercraft	39
17. Vandalism or Malicious Mischief	39
18. Destructive Acts	39
19. Fungus, Noxious Substance, Nuclear Substance, Pathogen, or Pollutant	40
20. Illegal or Controlled Substance	40
21. Punitive or Exemplary Damages, Fines, or Penalties	40
22. Workers' Compensation	40
23. Nuclear Energy Liability Insurance	41
24. Obligation to Reimburse, Share or Indemnify Damages	41
25. Statutory Liability	41
26. Violation of Ordinance, Penal Law, or Criminal Acts	41
27. Employment - Personal Injury	41
28. Civic or Public Activities	41

Farmers Smart Plan Home® Policy - California (continued)

29. Molestation, Abuse, or Corporal Punishment41

30. Home Share Business41

31. Aggression42

Section II - Liability Conditions42

1. Limits of Insurance42

2. Separate Insurance42

3. Duties After Loss42

4. Duties of an Injured Person - Coverage F (Medical Payments to Others)42

5. Suit Against Us42

6. Bankruptcy of an Insured42

7. Other Insurance - Coverage E (Personal Liability)42

8. Workers' Compensation43

Section III - Additional Optional Coverages You May Purchase43

A.43

1. Personal Property Actual Cash Value Loss Settlement43

2. Zero Deductible Glass43

3. Coverage for Marring to Certain Metal Materials.43

4. Landscaping Wind and Hail43

5. Increased Limits for HOA Loss Payment.43

B.43

1. Property Usually Located at an Insured's Residence Other than the Residence Premises43

2. Business Property43

3. Money, Currency, Gift Certificates and Cards, Scrip, and Metals43

4. Securities, Deeds, Valuable Papers, Personal Records, and Stamps43

5. Cards and Comic Books43

6. Watercraft and Windsurfers43

7. Trailers43

8. Portable Electronic Equipment - Off Premises.43

C.43

1. Jewelry, Watches, Precious and Semi-Precious Stones, and Furs44

2. Silverware, Gold Ware, Platinum Ware, and Pewter Ware44

3. Firearms.44

General Conditions - Applying to the Entire Policy44

1. Entire contract - Waiver or Change of Policy Provisions44

2. Policy Period44

3. Joint Obligations44

4. Misrepresentation, Concealment, or Fraud.44

5. Trustee Interest44

6. Liberalization Clause45

7. Initial Premium Payment45

8. Cancellation45

9. Renewal and Refusal to Renew45

10. Inflation At Renewal46

11. Assignment and Death46

12. Subrogation46

13. What Law will Apply46

14. Arbitration46

15. Conflict of Terms.46

16. Where Suits May be Brought46

17. Changed Information.47

18. Additional Benefits and Services47

19. Policy Notices47

20. Reciprocal Provisions47

READ YOUR POLICY CAREFULLY.

- This policy is a legal contract between you (the policyholder) and us (the Company). **It Contains Certain Exclusions.**
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Introduction

Property Coverage:

In Section I, this policy insures different kinds of property; however, not all property is insured. This policy will not pay for all types of loss or damage, or for all causes of loss or damage, to covered property. Coverage is dependent upon whether the type of loss or damage is covered, and if covered, then whether the cause of loss or damage is covered.

Settlements, including replacement cost settlements, and coverages in this policy, are subject to the limits of insurance stated herein.

If loss occurs, refer to Section I - Property Conditions, Duties After Loss.

Liability Coverage:

In Section II, this policy provides coverage for certain damages you become legally obligated to pay because of **bodily injury** or **property damage** resulting from an **occurrence**. If the Declarations show that **personal injury** coverage applies, this policy provides coverage for certain **personal injuries**. Further, the amount we will pay is subject to the limits of insurance. Coverage is also subject to certain conditions.

If a claim should be made against you, refer to Section II - Liability Conditions, Duties After Loss.

Additional Optional Coverages You May Purchase:

In Section III, this policy lists several additional optional coverages that you may purchase. There are other additional optional coverages not listed in this section that you may also purchase as an endorsement. When purchased, these coverages will be shown in the Declarations and they are then part of your policy.

Agreement

You agree:

1. to pay premiums when due; and
2. to comply with all applicable terms of this policy.

In return and based upon the representations you made in the application for this insurance, we will insure you for the coverages and limits as shown in this policy. This policy includes the Declarations and any endorsements.

Accuracy of Information and Changed Circumstances

The Coverage A (**Dwelling**) **stated limit** is the most we will pay if your **dwelling** sustains a loss. The actual cost to replace the **dwelling** at the time of loss may be different. We do not

guarantee that the **stated limit** represents the actual cost to replace the **dwelling**. You may have additional insurance as provided in Extensions of Coverage or by endorsement.

You are responsible for selecting appropriate amounts of coverage, including:

1. Coverage A (**Dwelling**);
2. Coverage B (**Separate Structures**);
3. Coverage C (Personal Property);
4. Coverage D (Loss of Use);
5. Coverage E (Personal Liability); and
6. Coverage F (Medical Payments to Others).

You agree that all information you have provided to us is accurate. We may provide you with information about your **dwelling** or this insurance. You agree to cooperate in determining if all information is correct and complete. You agree to notify us, as soon as reasonably practicable, if any information is not correct or complete, or changes.

Definitions

Throughout this policy, "you" and "your" mean the "named insured" shown in the Declarations and, if a resident of the same household as you:

- a. your spouse;
- b. your civil union partner; or
- c. your domestic partner.

Any marriage, civil union, or domestic partnership must be legally entered into per local, state, or federal laws of the United States and its territories, or another country, prior to the date of a loss.

"We," "us," and "our" refer to the insurer named in the Declarations. Also, certain words and phrases are defined as follows and will appear in bold when used:

1. **Actual cash value** - means the reasonable replacement cost at time of loss less deduction for depreciation.

We may depreciate all replacement costs, except we will not depreciate:

- a. labor cost, other than the intrinsic labor costs that are included in the cost of manufactured materials or goods; and
- b. those components of the structure that are normally not subject to repair and replacement during the useful life of the structure.

2. **Aircraft** - means:

- a. any device used or designed for flight, including:

- (1) an unmanned, unpiloted, or remotely piloted aerial device or vehicle that is deemed an **aircraft** by a federal or governmental agency, including, but not limited to, a drone; or
 - (2) **aircraft** parts, accessories, or equipment.
- b. **Aircraft** does not include model, hobby, or small unmanned **aircraft** not used or designed to carry people or cargo, operated strictly for recreational purposes and:
 - (1) in compliance with local, state, and federal laws, rules, and regulations; or
 - (2) operated by a person thirteen years of age or younger.
3. **Annual aggregate limit** - means the total we will pay for all covered **occurrences** combined that happen in each **policy period**. This limit applies regardless of the number of such **occurrences**, loss events, **insureds**, or claimants.
4. **Bodily injury** - in Section II - Liability - means physical harm to the body, including physical sickness or disease, to a person other than an **insured**. This includes reasonable required care, loss of services, and death that results.

Bodily injury does not include:

 - a. psychological or mental injury or effect, including, but not limited to, fear, depression, humiliation, anxiety, anguish, shock, or distress, unless it arises from actual physical harm to the body of a person;
 - b. transmission or exposure of a communicable disease by any **insured** to any other person;
 - c. Acquired Immune Deficiency Syndrome (AIDS), AIDS related Complex, Human Immunodeficiency Virus (HIV);
 - d. any autoimmune disease; or
 - e. any symptom, injury, condition, effect, illness, or disease related to subsections a. through d. above, or resulting from any **noxious substance**. A symptom, injury, condition, effect, illness, or disease includes, but is not limited to, fatigue, insomnia, stomach aches, headaches, or ulcers.
5. **Building law** - means any governmental ordinance, code, regulation, order, or law that regulates the repair, replacement, rebuilding, demolition, or removal of covered damage to the **dwelling** or a **separate structure**.
6. **Building structure** - means a structure that is a building that is fully enclosed with walls and a roof. A roof or wall does not include a temporary roof or wall structure, or any kind of temporary tarp, sheeting, or other covering, unless it has been installed temporarily due to recent damage covered by this policy, and then only for a reasonable amount of time to repair the recent damage.
7. **Business** - means any full or part-time employment, trade, profession, or occupation, or a commercial, mercantile, or industrial undertaking of an economic nature. It does not matter whether it is continuous or regular, or is a secondary or supplemental source of income, or is an **insured's** principal means of livelihood. Profit and profit motive are irrelevant. **Business** includes a **home share business**.

Business does not include:

 - a. volunteer activities for a not-for-profit organization or public agency for which no money is received other than payment of expenses;
 - b. incidental and infrequent personal economic activity such as a garage or yard sale, or hobby, not to exceed annual gross income of \$2,500; or
 - c. any self-employed, occasional activity by a person under 18 years of age, which activity has no employees or subcontracted independent contractors and is of a type of activity normally performed by persons under 18 including, but not limited to, babysitting, lawn mowing, or paper delivery.
8. **Business property** - means property related to or used for **business** or for **business** purposes.
9. **Claimed loss** - means your claim of direct physical loss or damage to property.
10. **Component parts** - mean each of the individual constituent items or parts of covered property. By way of example, for a roof, the individual **component parts** or items of the roof would include, as applicable: a truss, a rafter, a section of decking, underlayment, sheathing or drip edge, a shingle, a tile, or other outer covering, a pipe jack, a vent or a skylight, and all other individual items or parts. Each of these individual items or parts would also be **component parts** of the **dwelling**.
11. **Contamination** - means the actual, perceived, or suspected introduction, existence, presence, proliferation, or spread of any **noxious substance**, **nuclear substance**, **pathogen**, **fungus**, or pollutant on, to, or in land, **water**, air, buildings, structures, or personal property, either on or off the **residence premises**, which may harm or injure the property or its usefulness or characteristics, or which may harm or injure any person. The presence of dust or dirt, or soot, char, ash, or other organic particulate matter is not **contamination**.
12. **Dwelling** - means the building, or that part of the building, used as the primary private residence structure located on the **residence premises**. **Dwelling** does not include **separate structures**.

13. **Earthquake** - means shaking or trembling of the earth, whether caused by volcanic activity, tectonic processes, or any other natural cause.
14. **Earth movement** - means any movement of earth, including, but not limited to, any type of soil or rock, or mixture of soil and rock, or fill, regardless of magnitude. Examples of **earth movement** include, but are not limited to:
- earthquake**, landslide, mudslide, debris flow, or mudflow;
 - collapse; vibrating, settling, cracking, shrinking, bulging, heaving, subsiding, eroding, sinking, rising, shifting, shearing, expanding, lateral movement, displacement, compacting, or contracting of, or any pressure by surface or subsurface earth or fill; and
 - volcanic activity, including eruption, explosion, or lava flow, and volcanic action.
- Earth movement**, except **earthquake**, includes any movement of earth whether combined with, caused by, or resulting from, natural or man-made events or **water**, and whether the **water** event is man-made or naturally occurring, or is sudden, abrupt, and accidental, or is constant, repeating, gradual, intermittent, steady, or slow.
15. **Fungus** or **fungi** - means any part or form of **fungus**, **fungi**, including mold, mildew, spores, wet or dry rot, parasitic microorganisms, mycelial agent or fragment, scents, or mycotoxins. This includes any by-product of any of the foregoing, whether germinated, whether forming a colony or infestation, whether aerosolized, and whether visible or not visible to the unaided human eye.
16. **Home share business** - means:
- the:
 - rental or holding for rental; or
 - mutual exchange of services;of the **residence premises** for a specific period of time, in whole or in part, by any **insured** to a **home-sharing occupant** directly or through the use of a **home-sharing network platform** or rental agency; and
 - any other related property or service made available by any **insured** for use during such:
 - rental; or
 - mutual exchange of services;except property or services provided by another party.
17. **Home-sharing network platform** - means an online-enabled application, web site, or digital network that:
- is used for the purpose of facilitating, for money, mutual exchange of services, or other compensation, the rental of a **residence premises**, in whole or in part; and
 - allows for the agreement and compensation, with respect to such rental, to be transacted through such online-enabled application, web site, or digital network.
18. **Home-sharing occupant**- means a person, other than any **insured**, who:
- has entered into an agreement for a specified period of time or arranged compensation with any **insured** directly or through a **home-sharing network platform** or rental agency for a **home share business**; or
 - is accompanying or staying with a person described in item a. of this provision under a **home share business**.
- The terms resident, roomer, roommate, boarder, or tenant do not include a **home-sharing occupant**.
19. **Household appliance** - means:
- a common household device operated by gas or electric current. This includes, but is not limited to, an air conditioning unit, heating unit, refrigerator, dishwasher, ice maker, clothes washer, **water** heater, disposal, or dehumidifier, and any hoses directly attached thereto; and
 - a **water** softener or filtration system connected to the residence **plumbing system**, and any hoses directly attached thereto.
- Household appliance** does not include furniture, waterbeds, aquariums, or sump pumps. A **household appliance** is not part of the **plumbing system**.
20. **Incurred property damage** - means the verifiable, actual theft or the accidental, direct, distinct, and demonstrable physical injury to or destruction of property, as referenced in Section I - Property Conditions, Appraisal.
21. **Insured** - means:
- you;
 - permanent residents of your household who are:
 - your relatives; or
 - other persons under the age of 21 and in the care of any person described above in subsection a. or b.(1);
 - a student enrolled in school full time, as defined by the school, who was a permanent resident of your household before moving out to attend school, provided the student is under the age of:
 - 24 and your relative; or
 - 21 and in your care or the care of a person described in b.(1) above; and
 - in Section II - Liability, **insured** also means:
 - any person or organization legally responsible for animals or watercraft covered in Section II - Liability

that are owned by you, or anyone included in subsection b. or c. above. Any person or organization using or having custody of these animals or watercraft in the course of any **business** or without permission of the owner is not an **insured**.

- (2) with respect to any vehicle covered as personal property in Section I of this policy:
 - i. any person while using or maintaining the vehicle while engaged in the employment of the **insured**; or
 - ii. any other person using the vehicle on an **insured location** with an **insured's** consent.

22. **Insured location** - means:

- a. the **residence premises**;
- b. that part of any other premises, structures, and grounds you use as a private residence and:
 - (1) that is shown in the Declarations; or
 - (2) that you acquire during the **policy period** for your use as a private residence;
- c. any premises you use in connection with a premises described in subsections a. or b. above;
- d. any part of a premises:
 - (1) not owned by an **insured**; and
 - (2) where an **insured** is temporarily residing;
- e. vacant land or land with minimal improvements, other than farm or ranch land, owned by or rented to an **insured** and shown in the Declarations;
- f. land owned by or rented to you on which a one or two family dwelling is being built as your private residence;
- g. individual or family cemetery plots or burial vaults of an **insured**; and
- h. any part of a premises occasionally rented to an **insured** for other than **business** use, but only when it is actually rented to the **insured**.

23. **Marring** - means any disfigurement, blemish, discoloration, weathering or stretching, or the like, of or to covered property, including, but not limited to, scratching, chipping, cracking, scorching, denting, creasing, gouging, fading, staining, tearing, oxidizing, blistering, or thinning, whether occurring at once or over time.

24. **Motor vehicle** -

- a. means:
 - (1) any self-propelled vehicle or any self-propelled machine, whether operable or not, that is designed for movement on land, or on land and in **water**, including, but not limited to, any type of automobile, hovercraft or air cushion vehicle;

- (2) parts, equipment, machinery, furnishings, or accessories whether or not attached to or located in or upon such vehicle or machine described in subsection a. above;

- (3) E-bicycles, including a pedal-assist bicycle that has a motor that provides assistance only when the rider is pedaling, gas powered bicycles, and other similar items; and
 - (4) any trailer or semi-trailer that is being carried on, towed by, or hitched for towing by a vehicle or machine described in subsection a.(1) above.
- b. The following are not considered **motor vehicles**:
- (1) lawn, garden or farm equipment that is not designed for principal use on public roads and that is principally used on the **residence premises**;
 - (2) recreational vehicles designed principally for off-road recreational use that are only used on the **residence premises**, including, but not limited to, all-terrain vehicles;
 - (3) battery powered toys including, but not limited to, children's motorized cars and hoverboards ;or
 - (4) a motorized assisted living device designed to assist the disabled.

25. **Noxious substance** - means any hazardous, toxic, or **contaminating** solid, liquid, vaporous, gaseous, or thermal substance that may cause or result in harm, destruction, damage or injury to the environment or any living thing, or to covered property, the **residence premises**, or any other property, or may be an irritant or a nuisance.

Noxious substances include, but are not limited to, asbestos, silicon, silica, radon, fumes, odors, smoke, including from tobacco products, acids, alkalis, chemicals, carbon monoxide, oil, fuel, fuel oil, gasoline, lead, lead paint, polychlorinated biphenyls (PCBs), solvents or waste, including any residuals, and any substance listed as a hazardous substance by any government agency or body. Waste includes materials that are to be or have been recycled, reconditioned, or reclaimed.

Noxious substances do not include smoke or fumes from a fire, or commonly available chemicals or products in quantities normally found in a residential household used for cleaning, maintenance, or other common residential purposes.

26. **Nuclear hazard** - means:

- a. a nuclear explosion, including shockwaves, nuclear reaction, and nuclear radiation;
- b. the dispersal or spread of **nuclear substances** or nuclear radiation by any means. These include, but are not

limited to, conventional explosion, fallout, or radioactive contamination, all whether controlled or uncontrolled or whether intended or accidental, however caused; and

- c. the negligent, defective, or improper design, construction, operation or maintenance of a nuclear facility or any facility that uses, handles, stores, or processes **nuclear substances**.

Nuclear hazard is also intended to include any other act or omission that results in a **nuclear hazard**.

- 27. **Nuclear substance** - means any solid, liquid, vaporous, gaseous, or thermal substance contaminated by or with nuclear radiation, or that gives off harmful levels of nuclear radiation.
- 28. **Occurrence** - in Section II - Liability means:
 - a. an accident, including exposure to conditions, that first occurs during the **policy period**, and that results in **bodily injury** or **property damage**. Repeated or continuous exposure to the same general harmful conditions, whether occurring during one **policy period** or occurring over more than one **policy period**, is considered to be one **occurrence**; or
 - b. the commission of an offense that is first committed during the **policy period** and that results in **personal injury**. A series of similar or related offenses, whether occurring during one **policy period** or occurring over more than one **policy period**, is considered to be one **occurrence**.
- 29. **Pathogen** - means any biological or microbial organism or substance that may cause or result in harm, destruction, damage, injury, or disease to any living thing or to property. **Pathogens** include, but are not limited to, bacteria, bacterium, viruses, or any part or by-product of bacteria, bacterium, or viruses, including bacterial or viral toxins.
- 30. **Personal injury** - in Section II - Liability - means injury, other than **bodily injury**, to a person other than an **insured** that occurs during the **policy period**, and that arises out of one or more of the following offenses:
 - a. false arrest, detention or imprisonment;
 - b. malicious prosecution;
 - c. the wrongful eviction from, wrongful entry into, or physical invasion of the right of private occupancy of a room, **dwelling**, or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products, or services; or

- e. oral or written publication of material that violates a person's right of privacy.

Personal injury does not include false arrest, wrongful imprisonment, or detention in connection with or arising out of molestation, abuse, or corporal punishment.

- 31. **Plumbing system** - means all **water** supply and distribution pipes, plumbing fixtures and traps, drainage and vent pipes of a **building structure** or structure, or an in-ground sprinkler system on the **residence premises**.

A **plumbing system** does not include any of the following:

- a. a bath or shower unit (not including the bathtub), enclosures or pans, including, but not limited to, curtains, tile, grout, sealants, or doors;
- b. a roof drainage system, including, but not limited to, gutters, drain pipes, or downspouts;
- c. a sump or sump pump or sump-pump well or related equipment, pipes, or connectors;
- d. any part of a drainage ditch or channel;
- e. that part of any system designed to remove or drain **water** away from the **residence premises**, which part is not:
 - (1) within; or
 - (2) directly under the slab or foundation of; a **building structure** on the **residence premises**.

- 32. **Policy period** - means the time period in the Declarations starting on the effective date and time continuing to the expiration date and time.

- 33. **Property damage** - in Section II - Liability - means direct, distinct, and demonstrable, physical injury to or destruction of tangible property, including loss of use resulting from the direct, distinct, and demonstrable, actual physical injury to or destruction of the property.

Property damage does not mean:

- a. actual, threatened, feared, constructive or alleged diminution or loss of value or equity;
- b. functional impairment or loss of use of property unless the property has sustained direct, distinct, and demonstrable, physical injury or destruction; or
- c. non-economic damages.

- 34. **Remediate or remediation** - means to:

- a. (1) decontaminate, abate, treat, contain, isolate, remove, extract, clean, mitigate, neutralize, quarantine, or detoxify;
- (2) monitor, evaluate, detect, investigate, test, or measure for;

- (3) haul away or dispose of; or
 - (4) respond in any way to, or assess the effects of; any **nuclear substance, noxious substance, pathogen, fungus**, or pollutant, or any **contamination**, whether on or off the **residence premises**; or
 - b. remove, restore, or replace any land, **water**, air, building, structure, or personal property that is threatened with or has been affected, damaged, infested, polluted, or injured by **contamination**.
35. **Residence employee** - means an employee of an **insured** who performs duties related to the ownership, maintenance or use of the **residence premises**. This includes employees who perform similar duties elsewhere for an **insured** if the duties relate to the **residence premises**. This does not include employees while performing duties related to a **business** of an **insured**.
36. **Residence premises** - means the **dwelling, separate structures**, and grounds at the address shown in the Declarations.
37. **Roof materials** - mean:
- a. The roof surface covering types, including, but not limited to, composition shingles, rolled roofing, wood, slate, tile, metal, built up and rubber, and all other **component parts** of the roof that are exposed to the weather, including those that extend above the surface of the roof, including, but not limited to all vents, vent caps, turbines and piping, or the like;
 - b. all underlayments for moisture protection and drip edges; and
 - c. any materials that are installed when repairing or replacing **roof materials**, including, but not limited to, sheathing, decking, and flashing.
- Roof materials** do not include any telecommunications, entertainment, skylights, solar tubes, solar panel, or heating and/or cooling systems, or similar items, or parts thereof, like equipment, masts, connectors, wiring, or the like.
38. **Separate structure** - means:
- a. those structures, including buildings and **building structures**, on the **residence premises** set apart from the **dwelling** by clear space or structures only connected to the **dwelling** by a fence, wall, sidewalk, walkway, driveway, patio, decking, or utility line or similar connection; and
 - b. all fences, walls not part of a building, sidewalks, walkways, driveways, pools, pool cages, piers, wharfs, boat docks, and spas on the **residence premises**, whether or not abutting or connected to the **dwelling**.
39. **Stated limit(s)** - means the dollar amounts stated as coverage limits in the Declarations for the different types of coverages.
40. **Vacancy or vacant** - means:
- a. no one is legally using the **dwelling** as a principal, habitual place of abode; and
 - b. a predominant amount of the personal property has been removed or is absent from the **dwelling**.
- A **dwelling** will be considered legally used only if it is with your knowledge and approval.
- If the **dwelling** is under active construction or is being actively repaired because of damage otherwise covered by this policy, it will not be considered **vacant** even if a. and b. above apply. A **dwelling** is under active construction when it is being erected as a new structure or when it is undergoing substantial improvements, renovations, remodeling or modifications, and the construction results in substantial continuing activities by persons associated with the construction project at the premises during the time of the loss or damage. A recently purchased **dwelling** that is not under active construction will be deemed **vacant** beginning the date of purchase until legally occupied as a principal, habitual place of abode.
- A **dwelling** will not be considered vacant solely because:
- a. the **dwelling** is a second home used by an **insured** on a regular basis; or
 - b. an **insured** has been traveling, and the **dwelling** is used as the primary residence.
- This definition will apply whether or not a **dwelling** is in fact habitable.
41. **Vandalism or malicious mischief** - means malicious or willful, intentional physical injury or damage to property.
42. **Water** - means **water** (H₂O) alone, whether in liquid, frozen, or vapor form, or any liquid, sewage or sludge that contains **water**, whether or not contaminated or combined with or containing other chemicals, particulates, microorganisms, or impurities. **Water** includes, but is not limited to, rain, snow, sleet, slush, ice, dampness, vapor, condensation, moisture, steam, and humidity.
43. **Water - reverse flow** - means the flow of **water** from off premises through any sewage, septic or drainage system, or a drain, drain line or drainage channel, or a sump or sump pump, or similar system designed to drain or pump **water** away from the premises, when the flow of **water** is in the opposite or reverse direction from which the system, drain line, channel, sump, or pump was designed to drain or pump. A stoppage on the premises within any of the foregoing that

stops the flow of **water** with a resulting overflow of **water** is a backup and is not a **water- reverse flow**.

Section I - Property Coverage

Section I - Loss or Damage Insured

Coverage A (Dwelling), Coverage B (Separate Structures), and Coverage C (Personal Property)

We insure accidental direct physical loss or damage to that property described in Section I - Types of Property Insured. Loss or damage means theft of or distinct and demonstrable, physical injury to or destruction of the property. Loss or damage does not include:

1. functional impairment;
2. economic obsolescence;
3. the loss of use of property unless the property was stolen or sustained accidental, direct, distinct, and demonstrable, physical injury or destruction;
4. any actual or perceived decrease in the market value;
5. any reduction in serviceability of property; or
6. any sentimental value, however measured or determined.

Loss or damage to property consists of certain types of loss or damage. This policy does not insure covered property for the types of loss or damage described in Section I - Uninsured Types of Loss or Damage and Excluded Causes of Loss or Damage.

Loss or damage to property is caused by perils (causes of loss or damage). This policy does not insure loss or damage to covered property directly or indirectly caused by, arising out of, or resulting from the excluded causes of loss or damage set forth in Section I - Uninsured Types of Loss or Damage and Excluded Causes of Loss or Damage, whether the excluded cause of loss or damage occurs on or away from the **residence premises**.

We do not provide Loss of Use or any Extensions of Coverage for any uninsured type of loss or damage or any excluded cause of loss or damage, unless specifically provided otherwise.

Section I - Types of Property Insured

Coverage A (Dwelling)

We insure:

1. the **dwelling**;
2. materials and supplies owned by you on or adjacent to the **residence premises** for use in construction of the **dwelling** or a **separate structure**; and
3. appliances that are built-in or permanently affixed to your **dwelling**.

Coverage B (Separate Structures)

We insure **separate structures** including appliances that are built-in or permanently affixed.

We do not insure:

1. **separate structures** that are intended for use in **business** or that are actually used in whole or in part for **business** purposes by an **insured** or any other person;
2. **separate structures** used principally for the storage of **business property**; or
3. **separate structures** rented or held for rental to any person who is not a tenant of the **dwelling**, unless used solely as a private garage.

Coverage A (Dwelling) and Coverage B (Separate Structures)

We do not insure:

1. land or the value of land, including land on which your **dwelling** or a **separate structure** is located. We do not cover the cost to restore, replace, repair, stabilize, or rebuild land. If covered cause of loss or damage occurs to the **dwelling** or a **separate structure**, and to the land on which the **dwelling** or a **separate structure** is located, we do not cover any increased cost to repair or replace the **dwelling** or **separate structure** because of damage to the land. Land includes, but is not limited to, trees, shrubs, plants, and lawns on land. However, we do provide limited coverage for trees, shrubs, plants, and lawns in Section I - Extensions of Coverage, Trees, Shrubs, Plants, and Lawns; or
2. any type of warranty, service, or maintenance contract that covers property.

Coverage C (Personal Property)

We insure personal property owned or used by an **insured** anywhere in the world. At your request after a loss, we will also insure personal property:

1. owned by others while the property is in the **dwelling** or a **separate structure**, or on any part of the **residence premises**, if the **dwelling** or a **separate structure** is occupied by an **insured**. However, property of tenants, roommates, roomers, live-ins, boarders, or **home-sharing occupants** not related to an **insured** is not covered; and
2. owned by, and in the control of, a **residence employee** while in the service of an **insured** anywhere in the world.

Special Limits on Certain Personal Property

Special limits of insurance apply to certain types of personal property. The limits shown below do not increase the Coverage C **stated limit**. The limit for each numbered group is the total limit for any one loss event for all property in that group. The lowest

Farmers Smart Plan Home[®] Policy - California (continued)

applicable special limit shall apply to personal property that falls into more than one group.

1. The noted special limits apply to loss or damage from any covered cause of loss to the types of property that follow:

- a. **Property Usually Located at an Insured's Residence Other than the Residence Premises.**

10% of the Coverage C **stated limit** on personal property that is usually located at an **insured's** residence other than the **residence premises**. This includes property of a student **insured** while away at school. This is an aggregate limit that applies to all personal property usually located at an **insured's** other residence, even if the property is also subject to one or more of the following specific special limits. This limit does not apply to personal property in a newly acquired principal residence for the first 45 days after the **insured** begins moving to the new residence.

- b. **Business Property.**

Coverage for loss or damage to **business property**, is limited to:

- (1) \$2,500 limit while on the **residence premises**; and
- (2) \$500 limit while away from the **residence premises**.

- c. **Money, Currency, Gift Certificates and Cards, Scrip, and Metals.**

\$250 limit on money; cashier's checks; currency, or any type of currency proxy, like bitcoin or crypto-currency; gift certificates or cards, stored value cards, scrip, smart cards or any card used as money (other than bank issued credit or debit cards); bank notes; medals; coins; bullion; and platinum, gold, silver, and other precious metals (other than gold ware, silverware, platinum ware or pewter ware). This includes collections of all such property in any form.

- d. **Securities, Deeds, Valuable Papers, Personal Records, and Stamps.**

\$1,000 limit on securities; deeds; evidences of debt; letters of credit; notes other than bank notes; legal documents and other valuable papers; personal records including, but not limited to, photographs, videos, financial and health records; manuscripts; passports; tickets; and stamps and stamp collections. This limit includes the costs to research, replace or restore the information from the lost or damaged material.

- e. **Cards and Comic Books.**

\$200 limit per trading or collectible card or comic book and \$1,500 total limit on all cards or comic books. This

includes sports cards, game cards and trading cards of any kind.

- f. **Watercraft and Windsurfers.**

\$1,500 limit on watercraft and windsurfers. This includes their trailers, furnishings, equipment, and outboard motors that are not being carried on, towed by, or hitched for towing by a **motor vehicle**.

- g. **Trailers.**

\$1,200 limit on trailers, including recreational trailers, not used with watercraft or windsurfers, and camper trailers that are not being carried on, towed by, or hitched for towing by a **motor vehicle**.

- h. **Portable Electronic Equipment - Off Premises.**

\$5,000 limit on computers, electronic data processing equipment; personal electronics entertainment equipment; communication equipment; accessories; electronic media or recording or storage media and its data, when it is off the **residence premises**. Such property that cannot be replaced with other property of like kind and quality on the current retail market is not covered. This does not include **business property**.

- i. **Fine Arts and Imported or Specialty Rugs.**

\$5,000 on fine arts and imported or specialty rugs. Imported or specialty rugs are any silk or wool rug, carpet, tapestry, wall-hanging, or other similar article, whose principal value is derived from its color, design, quality of wool or silk, quality of weaving, condition, and age. Imported or specialty rugs include, but are not limited to, Persian (Iranian), Turkish, Caucasian and Turkoman, Chinese, Indian, and domestic rugs.

2. The noted special limits apply to loss or damage caused by theft to the types of property that follow:

- a. **Jewelry, Watches, Precious and Semi-precious Stones, and Furs.**

\$1,000 limit on any one article and \$2,500 total limit on theft of jewelry; costume jewelry; watches including smartwatches; precious and semi- precious stones; and furs, including articles for which fur represents the principal value. This applies even if such items are considered art or used as decoration. For purposes of this special limit, a pair is considered one article.

- b. **Firearms.**

\$2,500 limit on theft of firearms. This includes:

- (1) their scopes or mounts whether attached or not; and
- (2) all other firearm related equipment and ammunition.

c. **Silverware, Gold Ware, Platinum Ware, and Pewter Ware.**

\$2,500 limit on theft of silverware; gold ware; platinum ware; and pewter ware. This includes similar items for which any such metal represents the principal value.

Section I - Types of Personal Property Not Insured

We do not insure:

1. personal property separately described and specifically insured in this or any other policy;
2. any type of warranty, service, or maintenance contract covering property;
3. any animals or creatures. This includes, but is not limited to, mammals, birds, fish, reptiles, insects, and arachnids, except as provided in Section I - Extensions of Coverage;
4. campers, camper shells, slide on campers, and canopies. This includes their furnishings and equipment while carried on, attached to, or in the camper. This does not include camper trailers;
5. watercraft and windsurfers, including their trailers, furnishings, equipment, and outboard motors, all while being carried on, towed by, or hitched for towing by a **motor vehicle**. This only applies to loss or damage caused:
 - a. while that **motor vehicle** is in motion; or
 - b. by another **motor vehicle** that is in motion;
6. trailers while being carried on, towed by, or hitched for towing by a **motor vehicle**;
7. **motor vehicles**;
8. any sound, video, mapping, tracking or communications equipment or device or system designed:
 - a. for reproducing, detecting, receiving, transmitting, recording, or playing data, signals, maps, location, sound, videos, or pictures; and
 - b. only to be operated from the electrical system of any **motor vehicle**, motorized land conveyance, watercraft, camper, or home trailer while such equipment, device, or system is in, on, or installed in a **motor vehicle**, motorized land conveyance, watercraft, camper, or home trailer. This equipment includes, but is not limited to: any kind of mobile telephone; radio transceivers or transmitters; scanning monitor receivers; radar or laser detectors; car radio receivers; tape or disc players or recorders; or global positioning system devices. It also includes any accessories, antennas, tapes, discs, software, reels, cassettes, cartridges, carry cases, or other devices used with such equipment, device, or system;
9. **aircraft** or self-propelled missiles;
10. property located in or on that part of the **residence premises** that is regularly rented or held for rental to others;
11. property of an **insured** that is rented or is available for rent to others when it is away from the **residence premises**;
12. property of tenants, roommates, roomers, live-ins, boarders, or **home-sharing occupants** not related to an **insured**;
13. property of:
 - a. a **home-sharing occupant**; or
 - b. any other person occupying the **residence premises** as a result of any **home share business**;
14. **water**, electricity, or gas;
15. marijuana, except as provided in the Section I - Extensions of Coverage, or any property that is illegal for an **insured** to possess per federal or state law;
16. intangible personal property; or
17. appliances that are built-in or permanently affixed to your **dwelling** or **separate structures**.

Coverage D (Loss of Use)

The **stated limit** for Loss of Use is the total limit for all Additional Living Expense, Loss of Rents, and Prohibited Use coverages for any one loss event.

1. **Additional Living Expense.**

If covered accidental, direct, distinct, and demonstrable, physical loss or damage to the **dwelling** makes that part of the **dwelling** where you reside uninhabitable by you, we will reimburse you for the actual, reasonable, and necessary increase in living expense incurred by you. This coverage is for you and any other **insureds** in your household to maintain the normal standard of living you had at the time of the loss event. Reimbursement for additional living expense will be for the shortest time reasonably needed to:

- a. repair or replace the loss or damage to the **dwelling**; or
 - b. permanently relocate;
- but in no event for more than the time period shown in the Declarations.

However, at our option, we may advance a monthly amount up to, but not exceeding, the Coverage D (Loss of Use) **stated limit** divided by the Additional Living Expense Term shown in the Declarations.

If this amount is insufficient for the actual, reasonable, and necessary increase in living expenses incurred by you on a

monthly basis, you must provide receipts for all expenses incurred.

Any advances are a part of, and subject to, the Coverage D (Loss of Use) **stated limit**.

We will advance up to \$1,500 for refundable deposits required to pay for initiation of a lease agreement for temporary housing. We will collect the refundable amount of the advanced deposit in full within 30 days after the termination of the lease. The refundable amount of the advanced deposit may be offset from any future payments for this, or any other coverage, for the same loss event.

Additional living expense that raises your standard of living will not be reimbursed. Upon our request, you must provide receipts for expenses incurred. Additional living expense will be paid for only one household, regardless of the number of named insureds.

Your Additional Living Expense coverage is subject to the Coverage D (Loss of Use) **stated limit**. When this **stated limit** is reached, Additional Living Expense coverage is exhausted.

2. **Loss of Rents.**

If covered accidental, direct, distinct, and demonstrable, physical loss or damage to covered property makes that part of the **residence premises** rented to others or held for rental by you uninhabitable, we cover your actual loss of rents less any expense that does not continue during the loss period. We pay for the shortest time reasonably needed to repair or replace the damaged property, but in no event for more than 12 months. Loss of rents due to cancellation of a lease or agreement is not covered. This coverage only applies if the use of the part rented is for private residential living purposes. We do not cover any Loss of Rents for a **home share business**.

3. **Prohibited Use.**

We provide Additional Living Expense or Loss of Rents as described above for no more than two weeks if a civil authority prohibits you from use of the **dwelling** because of accidental, direct, distinct, and demonstrable, physical damage to a neighboring premises, which damage would have been covered by this policy if the damage had occurred to the **dwelling**. Prohibited Use coverage does not apply to threatened damage, or only because of area wide utility outage. For this coverage to apply the **dwelling** must otherwise be habitable or fit to live in. We do not cover Prohibited Use for a **home share business**.

The time periods in subsections 1., 2., and 3. above are not limited by cancellation, expiration, renewal, or non-renewal of

this policy. No deductible applies to subsections 1., 2., and 3. above.

Section I - Extensions of Coverage

We will insure you for the Extensions of Coverage as described below, except as otherwise shown in the Declarations. Unless otherwise expressly stated, the following Extensions of Coverage are subject to all the policy terms, exclusions, deductibles, and conditions, including, but not limited to, the terms and limitations of any uninsured loss or damage or excluded cause of loss or damage, set forth in Section I - Uninsured Types of Loss or Damage, Excluded Causes of Loss or Damage, and in any other Extension of Coverage.

1. **Limited Water Coverage.**

- a. We provide limited coverage for accidental, direct, distinct, and demonstrable, physical **water** damage of covered property from direct contact with **water**, but only if the **water** results from:
 - (1) the melting of a build-up of ice on portions of the roof or roof gutters on a **building structure**.
 - (2) hail, rain, snow, or sleet entering a **building structure** caused by the following:
 - i. fire;
 - ii. lightning;
 - iii. explosion resulting from combustion (other than nuclear explosion);
 - iv. riot or civil commotion;
 - v. **aircraft** or vehicles;
 - vi. **vandalism or malicious mischief**;
 - vii. collapse covered in Section I-Extensions of Coverage, Collapse of Building Structure or Structural Part of the Building Structure;
 - viii. falling objects;
 - ix. wind;
 - x. hail; or
 - xi. theft or attempted theft.
 - (3) the freezing of and a discharge, leakage, or release of **water** as a result of the freezing from a **plumbing system**, heating, air-conditioning, or automatic fire protection system, or a **household appliance**. We only cover the **water** damage from freezing if you, or any delegee, have used reasonable care to:
 - i. maintain heat in the **dwelling** or a heated **building structure**; or

- ii. shut off the **water** supply and drain the **plumbing system**, other system, or **household appliance** of **water**.

In this subsection (3) we will cover loss or damage from freezing to the covered heating, air conditioning, or automatic fire protection system, or **plumbing system**, except for an exterior sprinkler system, or a **household appliance** from which the **water** discharged, erupted, released, or overflowed. Heat turned off is not reasonable care unless you have complied with subsection a.(3)ii.

- (4) a sudden, abrupt, and accidental discharge, eruption, overflow, or release of **water**, other than a **water - reverse flow**, from within any portion of:

- i. a **plumbing system**;
- ii. a heating or air conditioning system;
- iii. an automatic fire protection system;
- iv. a **household appliance**; or
- v. a hydrant;

provided the discharge, eruption, overflow, or release of **water** is not directly or indirectly caused by, or arises out of, or results from flood, including debris flow and mud flow, from any form of surface **water**, waves, tsunami, seiche, tidal **water**, tidal waves, storm surge, or overflow or escape of a body of **water**, or spray from any of these, whether or not driven by wind.

- b. The limited coverage for **water** damage described in subsection a.(4) above applies even if the sudden, abrupt, and accidental discharge, eruption, overflow, or release of **water** is caused by the following Section I - part B. Excluded Causes of Loss or Damage:

- (1) Faulty, Inadequate, Defective, or Incomplete Planning, Zoning, Maintenance, Repairs, Renovation, Manufacture, or Construction;
- (2) Inherent Vice or Latent Defect;
- (3) Wear and Tear, Deterioration, or Mechanical Breakdown;
- (4) Corrosion, Deterioration, Decay, or Rust;
- (5) Power Interruption;
- (6) Pests or Animals;
- (7) Pressure by Trees, Shrubs, Plants, or Lawns; or by collapse covered in Section I-Extensions of Coverage, Collapse of Building Structure or Structural Part of the Building Structure.

All the foregoing in a. or b. must either occur on, or be on, the **residence premises**, unless the damage is to covered personal property that is off the **residence premises** when damaged. For purposes of this provision only, this coverage will include a sudden, abrupt, and accidental discharge, eruption, overflow, or release of **water** from a **plumbing system** where the **residence premises** is located, or from a hydrant.

If the Declarations shows this is a Farmers Smart Plan Townhouse[®] Policy, we will provide limited coverage for the accidental, distinct, and demonstrable, physical **water** damage of covered property from the direct contact with **water**, but only if the **water**:

- (1) results from subsections 1.a. and 1.b. above; and
- (2) originates within a unit in the same **building structure**.

- c. A sudden, abrupt, and accidental discharge, eruption, overflow, or release of **water** does not include a constant or repeating gradual or slow release of **water**, or the infiltration or presence of **water** over a period of time, regardless of the volume of **water** involved. We do not cover any **water**, or the presence of **water**, over a period of time from any constant or repeating gradual or slow, seepage, leakage, trickle, collection, spray, or mist, infiltration or overflow of **water** from any source, even if from the usage of those items described in subsection a.(4) above, whether known or unknown to any **insured**.
- d. (1) If **water** damage covered in subsection a.(4) above occurs on the **residence premises** to the **dwelling** or to a **building structure**, we will pay the reasonable cost of tearing out and replacing that part of the **dwelling** or the **building structure** actually necessary for you to gain access and repair only that specific part of the system or **household appliance** from which the **water** suddenly, abruptly, and accidentally discharged, erupted, overflowed, or was released. Any costs incurred in this subsection are subject to the applicable Coverage A or B **stated limit**.
- (2) Costs to tunnel under, cut into, or tear out and replace, any part or portion of any type of foundation; slab; footings; basement; concrete floor or pad; retaining wall, or the like; all when they are part of the **dwelling** or a **building structure** are limited to \$2,000 per loss event.
- e. In subsection a.(4) above, we do not cover loss or damage to any system or **household appliance** from which the **water** discharged, erupted, released, or overflowed.

- f. We do not cover any loss or damage caused by, or that consists or is composed of, or that is, the movement, settling, cracking, bulging, shrinking, heaving, erosion, washing out, or expanding of a foundation; slab; concrete floor, concrete pad, or sidewalk or patio, or the like; or any wall, including a foundation or retaining wall, foundation fill, or pavement.
- g. This is not additional insurance. All loss, damage, or expense in this Extension of Coverage is subject to the applicable Coverage A, B, or C **stated limit** or any other limit of insurance.
- h. **Water** damage in subsection a.(4) will include any **contamination** damage from any contaminant in the **water** when it exited the system or **household appliance**, except **fungi**.
- i. We do not cover loss or damage resulting from a stoppage of a septic system because the system is full.

2. **Extended Replacement Cost - Coverage A.**

We will pay you up to the Extended Replacement Cost **stated limit**, if necessary, to repair, rebuild, or replace covered loss or damage to the **dwelling**.

For this Extended Replacement Cost coverage to apply at the time of covered loss or damage to the **dwelling**, you must have complied with each of the following conditions, as applicable:

- a. you must have notified us within 60 days of any inaccuracy or change in any information you have provided us regarding the physical characteristics of your **dwelling**;
- b. you must have notified us within 60 days of any inaccuracy or change in any information we have provided to you regarding the physical characteristics of your **dwelling**;
- c. you must have notified us within 60 days of the start of any physical changes that costs, or will increase the replacement cost of your **dwelling** by \$5,000 or more. This includes additions or remodeling;
- d. you must have selected or increased the Coverage A (**Dwelling**) amount to an amount at least equal to the estimated replacement cost of the **dwelling**, or any update thereto through application of an index or inflation factor or any other method or combination of methods; and
- e. you must actually repair, rebuild, or replace the loss or damage to the **dwelling**.

If you do not comply with conditions a., b., c., and d. above prior to covered loss or damage to the **dwelling** and with

condition e. above after the loss or damage, then this Extension of Coverage will not apply.

You must agree to any resulting increases in the Coverage A (**Dwelling**) limit and other **stated limits** as estimated or adjusted for changes in the reconstruction cost.

This is additional insurance. It will only apply if the Coverage A **stated limit** is insufficient to repair, rebuild, or replace covered loss or damage to that part of the **dwelling** damaged, at the same location, for the reasonable and necessary replacement cost without deduction for depreciation. If you do elect to rebuild, replace, or purchase an existing dwelling at a different location, then any Extended Replacement Cost coverage available will only be based on the costs to repair, rebuild, or replace the **dwelling** as if at the same location.

When we determine whether this Extension of Coverage will apply, we will not consider any increased costs caused by, or from enforcement of, any **building law**.

3. **Building Ordinance or Law.**

- a. If the Declarations show that Building Ordinance or Law coverage applies, then we will pay for the increased costs that you actually and necessarily incur when you repair, replace, rebuild, demolish, or remove, hereinafter "repair", covered damage to the **dwelling** or a **separate structure** because of, or resulting from, the enforcement of any **building law**. If this coverage applies, then we will pay up to the percentage shown in the Declarations of the applicable Coverage A (**Dwelling**) or Coverage B (**Separate Structures**) **stated limit**. The **building law** must:
 - (1) be adopted by the local government in which the **dwelling** is located;
 - (2) be in force on the date of loss or damage; and
 - (3) directly apply to the part of the **dwelling** or **separate structure** that sustained the covered damage.
- b. Enforcement of the **building law** must directly apply to the "repair" of:
 - (1) that specific part of the **dwelling** or a **separate structure** that has sustained the covered damage; or
 - (2) a covered but undamaged part of the **dwelling** or a **separate structure** that is "physically necessary" in the course of repairs to complete the "repair" of that part of the **dwelling** or **separate structure** that has sustained the covered damage. "Physically necessary" does not include where a **building law** does not directly apply to the covered damage, but a governmental authority will not approve or

permit "repair" of the covered damage unless you or anyone acting on your behalf also complies with that **building law**.

c. We do not cover:

- (1) the actual or perceived loss in value to the **dwelling** or a **separate structure** due to the requirements of any **building law**;
- (2) the cost to "repair", stabilize, or otherwise restore land;
- (3) the costs to comply with any **building law** that requires an **insured** or others to **remediate** the **dwelling** or a **separate structure**, or a part thereof;
- (4) the increased cost to "repair" if the **dwelling** or **separate structure** is not intended for the same type of occupancy as the pre-loss event **dwelling** or **separate structure**;
- (5) the increased cost to "repair" the **dwelling** or **separate structure** until it is actually "repaired";
- (6) those increased costs of construction, renovation, or repair that are a result of your failure to timely undertake repairs or rebuilding of damage;
- (7) the costs of demolition if you should fail to reasonably mitigate or "repair" loss or damage and as a result the **dwelling** or **separate structure** then becomes subject to demolition;
- (8) those costs of complying with any **building law** that you were required to comply with before the covered loss or damage, even if the **building law** was not actually being enforced, and which **building law** you failed to comply with;
- (9) those costs of complying with any **building law** that regulates the zoning or use of the **dwelling** or **separate structure**; or
- (10) those costs of conforming, correcting, or remedying any original or subsequent construction, addition, modification, renovation, or "repair" to a building or other structure that did not conform to a **building law** in effect when the construction, modification, renovation, or "repair" was performed.

- d. If you rebuild the **dwelling** or a **separate structure** at another location, then we will only pay in this Extension of Coverage the increased costs that you would have incurred to "repair" the **dwelling** or **separate structure** at the same location.
- e. If you purchase a new or existing dwelling or separate structure at another location, we will pay in this Extension of Coverage the increased costs that you would have

incurred to "repair" the **dwelling** or **separate structure** at the same location. If the payment for this Extension of Coverage is less than the Building Ordinance or Law **stated limit**, we will also pay the lesser of:

- (1) \$3,000 towards the reasonable and necessary closing costs incurred for the new or existing dwelling or separate structure; or
 - (2) the remaining amount of the Building Ordinance or Law **stated limit**.
- f. The decision of whether or not a **building law** applies will be reviewable by a court.
 - g. This is additional insurance.
4. **Debris Removal.**

We will reimburse you for the reasonable and necessary expenses you incur to remove debris caused by, or resulting from, covered loss or damage.

If the amount of loss or damage, including reimbursable debris removal expense, exceeds the applicable Coverage A, B, or C **stated limit** for the type of damaged property, we will reimburse you up to an additional 5% of the applicable **stated limit** for the excess reimbursable debris removal expense you have incurred. This is additional insurance. No deductible applies.

Debris removal does not include, and we will not reimburse, any expenses incurred by you, or anyone acting on your behalf, to:

- a. **remediate** any **contamination**; or
- b. remove, restore, or replace any **contaminated** land, **water**, air, buildings, structures, or personal property, either on or off the **residence premises**.

This Extension of Coverage does not apply to the removal of any tree, shrub, plant, or lawn, unless the tree, shrub, plant, or lawn first damaged covered Coverage A or B property. Then the removal of the tree, shrub, plant, or lawn will be included in this Debris Removal Extension of Coverage.

5. **Trees, Shrubs, Plants, and Lawns.**

We will cover trees, shrubs, plants, and lawns solely owned by you and located on the **residence premises** for accidental, direct, physical loss or damage resulting from the following perils:

- a. fire or lightning;
- b. explosion resulting from combustion;
- c. riot or civil commotion;
- d. **aircraft**, not owned or operated by any **insured**;
- e. vehicles, not owned or operated by any **insured**;

f. **vandalism or malicious mischief**; or

g. theft.

Property grown for **business** purposes, marijuana, or property that is illegal to possess per federal or state law is not covered.

The limit for this Extension of Coverage, including any necessary debris removal of any trees, shrubs, plants, or lawns, for any one loss event will not exceed 5% of the Coverage A **stated limit**. No more than \$750 will be paid for any one tree, shrub, or plant, including necessary debris removal. This coverage is additional insurance.

Except as provided therein, debris removal for trees, shrubs, plants, and lawns is not covered in Section I - Extensions of Coverage, Debris Removal.

6. **Fire Department Service Charge.**

We will pay up to \$750 for fire department charges incurred when the fire department is called to save or protect covered property from covered loss or damage.

This is additional insurance. No deductible applies.

7. **Emergency Removal of Property.**

We pay for damage from any cause to covered property:

- while being removed from a premises actually and imminently endangered by a peril not otherwise excluded in this policy; and
- while being removed for not more than 30 days from the date of removal.

This is not additional insurance. All loss or damage in this Extension of Coverage is subject to the applicable Coverage C **stated limit** or any Special Limits on Certain Personal Property.

8. **Food Spoilage.**

We will pay for the cost of loss or damage to personal property in a refrigerator or freezer on the **residence premises** that thaws or spoils due to interruption of electrical utility service. The interruption must originate away from the **residence premises**. This Extension of Coverage does not include an intentional or planned power outage by a utility company.

This is not additional insurance. We will pay up to a \$500 limit. This coverage has a \$50 deductible. The policy deductible does not apply. It is subject to the Coverage C **stated limit**.

9. **Identity Fraud.**

- Identity Fraud Indemnity Coverage. We will pay up to \$1,500 for loss sustained by an **insured** caused by any of the following:

- a knowing transfer or use, without authority, of the identity of, or a means of identification of, an **insured** to obtain goods, services, or other benefits from an innocent third party. The transfer or use must be with intent to commit, or to aid or abet, unlawful activity that constitutes a violation of federal law or a felony per any applicable state or local law;
- theft or unauthorized use of a credit, debit, or fund transfer card issued to that **insured**;
- forgery or alteration of a check or other negotiable instrument made or drawn upon an **insured's** account; or
- acceptance in good faith by an **insured** of counterfeit United States or Canadian paper money.

No deductible applies to this subsection a. Any loss payable in this subsection a. will be reduced by any amount we pay in any other coverage of this policy for the same loss event.

b. The additional duties of the **insured** after loss are to:

- cooperate in the investigation of the covered event and provide receipts, bills, or other records that support the **insured's** claim for reimbursement in this Extension of Coverage; and
- immediately notify the police and, if applicable, the issuer of the card, credit bureau, credit reporting agency, or credit grantor. Failure to comply with the terms and conditions of the reporting requirements of the grantor of credit will void coverage for any further loss after such failure.

c. Any acts, or series of acts, committed by any person(s), or in which any person(s) is involved or implicated, is considered to be one loss event, even if a series of acts continues into subsequent policy periods.

d. We do not cover loss:

- arising from, or in connection with, any **business** engaged in by any **insured**;
- arising from any fraudulent, dishonest, or criminal act by an **insured**, any person acting in concert with an **insured**, any authorized representative of an **insured**, or any **residence employee**, regardless of whether any of these act alone or in collusion with others;
- arising out of use of any card, identification, or information by a resident of the **residence premises**, or a relative of the **insured**, that enables any of the activities in subsection a. above;
- if an **insured** has not complied with all terms and conditions by which any card is issued;
- resulting from any use of a credit card or other credit information of an **insured** by persons or entities

to whom the account information has been made available by an **insured** for the purchase of goods, services, money, or property, and the **insured** is disputing the transaction for any reason whatsoever, including, but not limited to, disputes over the quality or amount of goods, services, money, or property provided or authorized.

Regardless of the number of **insureds** or loss events, our total aggregate limit of insurance in this Extension of Coverage for loss, costs, and expense for any **policy period** is the Identity Fraud **stated limit** shown in the Declarations. The policy deductible does not apply.

10. **Collapse of Building Structure or Structural Part of the Building Structure.**

We cover loss or damage to covered property caused by collapse of a **building structure** or any structural part of the **building structure**, or of a patio cover, carport cover, deck, or the like, attached to the exterior of the **building structure**. The collapse must be a direct result of:

- a. weight of ice, snow, sleet, or rain that collects on a roof;
- b. weight of persons, animals, personal property, or equipment; or
- c. defective methods or materials used in construction, repair, remodeling, or renovation, but only if the collapse occurs in the course of such construction, repair, remodeling, or renovation.

The collapse must be a sudden, abrupt, and accidental, actual and complete falling down of the **building structure** or of a structural part of the **building structure**, or of a patio cover, carport cover, deck, or the like, attached to the exterior of the **building structure**. A structural part of a **building structure** means a part of the **building structure**, which if it fell down, would threaten the structural integrity of the **building structure**. Substantial impairment of a **building structure** or structural part of a **building structure**, or of a patio cover, carport cover, deck, or the like, attached to the exterior of the **building structure**, without a sudden, abrupt, and accidental, actual and complete falling down is not a collapse. Collapse does not mean imminent or threatened collapse. Collapse does not include bending, sagging, bowing, leaning, movement, settling, cracking, bulging, shrinkage, heaving, or expansion, whether natural or otherwise, of the **building structure** or a structural part of the **building structure**, or of a patio cover, carport cover, deck, or the like, attached to the exterior of the **building structure**, unless an actual and complete falling down has occurred. This Collapse Extension of Coverage does

not apply to **separate structures** that are not **building structures**.

For purposes of this Extension of Coverage only, a **building structure** means a structure fully covered by a roof.

This is not additional insurance. All loss or damage in this Extension of Coverage is subject to the applicable Coverage A, B, or C **stated limit** or any Special Limits on Certain Personal Property.

11. **Artificially Generated Electrical Current.**

We will pay for loss or damage caused by a sudden, abrupt, and accidental surge or decrease in artificially generated electrical current, whether on or off the **residence premises**, to any electronic components or wiring of, or in, covered property. We will pay no more than \$1,000 for all covered property damaged per loss event. This is not additional insurance; it is subject to the Coverage A **stated limit**, Coverage B **stated limit**, or Coverage C **stated limit**.

12. **Arson, Burglary, or Vandalism or Malicious Mischief.**

We will pay up to the amount specified below for information that leads to an arson, burglary, or **vandalism or malicious mischief** conviction in connection with loss or damage to property covered by this policy:

- a. \$5,000 limit for arson;
- b. \$1,000 limit for burglary; and
- c. \$500 limit for **vandalism or malicious mischief**.

In no event will the amount of the reward exceed the total amount of the loss or damage. We will pay no more than the highest applicable limit for any one loss event. No limit shall be increased, regardless of the number of persons providing information for that loss, the number of claims being made for that loss, or the fact that the loss may involve loss or damage to property in Coverages A, B, and C.

No deductible applies. This is additional insurance.

13. **Lock Re-keying.**

We will reimburse you up to \$500 for expense you incur to re-key, replace, re-code, program, or reprogram locks on exterior doors of the **dwelling** or a **separate structure** located on the **residence premises**, when the keys or remote devices used with those doors are part of a covered loss.

No deductible applies. This is additional insurance.

14. **Pet Coverage.**

We will pay reasonable amounts up to \$500 for the veterinary care, burial, disposal, injury, or death of household pets owned or kept by you that are injured or die resulting from any covered loss in Section I - Property Coverage that occurs on the **residence premises**. Settlement will be based on the

monetary value of the household pets up to a maximum of \$500 in the aggregate for all pets in any covered loss event in Section I - Property Coverage.

For the purposes of this Extension of Coverage only, a household pet is a fully domesticated animal owned by you for personal companionship, such as a dog, a cat, a reptile, a bird, or a rodent. Household pet does not include:

- a. any type of horse, cow, pig, sheep, goat, chicken, turkey, rooster; or
- b. captive fur-bearing animal, or any animal commonly kept for food or profit.

This is not additional insurance; it is subject to the Coverage **C stated limit**.

15. Marijuana.

We will pay up to a total of \$300 for marijuana per loss event if it is legal in the state. This is for marijuana in any form.

16. Limited Lead and Asbestos Coverage.

We will pay for:

- a. accidental direct physical loss or damage to covered property caused by or resulting from lead or asbestos, but only if the loss or damage from lead or asbestos is consequential loss or damage resulting from a covered loss in Section I - Property Coverage of this policy; and
- b. costs and expenses required to **remediate** any lead or asbestos which results or could result from the repair or replacement of a covered loss in Section I - Property Coverage of this policy.

This Extension of Coverage does not limit coverage for lead or asbestos if otherwise covered in this policy.

This coverage only applies if you have used all reasonable means to save and protect the covered property from damage by or from lead or asbestos at and after the time the covered loss occurs.

The limit of insurance provided by this Extension of Coverage for any one loss event involving either lead or asbestos, or involving both lead and asbestos, is \$15,000. This limit includes all loss or damage in Coverage A (**Dwelling**), Coverage B (**Separate Structures**), Coverage C (Personal Property), Coverage D (Loss of Use), and in any other coverage or extension of coverage provided in Section I - Property Coverage, and all costs and expenses of **remediation**. This is not additional insurance and does not increase the **stated limits** for Coverage A (**Dwelling**), Coverage B (**Separate Structures**), Coverage C (Personal Property), or Coverage D (Loss of Use), or any other limit of

insurance. This limit does not apply to loss or damage caused by fire or lightning.

The following Section I - Uninsured Types of Loss or Damage and Excluded Causes of Loss or Damage, A. Uninsured Types of Loss or Damage and B. Excluded Causes of Loss or Damage exclusions do not apply to the limited coverage of lead and/or asbestos as provided in this Extension of Coverage:

A. Uninsured Types of Loss or Damage:

Contamination

B. Excluded Causes of Loss or Damage:

Contamination

Noxious Substance

Section I - Uninsured Types of Loss or Damage and Excluded Causes of Loss or Damage

A. Uninsured Types of Loss or Damage.

We do not insure property covered by this policy, provide Loss of Use coverage or extend coverage in any Extensions of Coverage, for any loss or damage consisting or composed of any of the uninsured types of loss or damage listed below, whether on or off the **residence premises**, however caused, whether the loss or damage occurred immediately or over time, or is the result of, a natural or man-made activity, condition, or event, except as may be stated otherwise.

Uninsured types of loss or damage are never covered regardless of whether any acts, omissions, or decisions of any persons, group, organization, association, or governmental body, or any other cause of loss or event contributes concurrently, or in any combination or sequence, to cause the uninsured type of loss or damage, except as may be stated otherwise.

Uninsured types of loss or damage can occur in combination with insured loss or damage. If any uninsured type of loss or damage does occur in combination with, or in sequence to, insured loss or damage, the uninsured type of loss or damage is not covered. If the insured loss or damage and uninsured loss or damage cannot be physically segregated from each other for any reason, including, but not limited to, what perils caused the loss or damage or the extent or timing of the loss or damage caused by individual perils, then none of the loss or damage will be insured by this policy.

1. Water Damage.

We do not insure loss or damage that consists of, is composed of, or that is, **water** damage, except as

covered in Section I - Extensions of Coverage, Limited Water Coverage, or unless if caused by fire or lightning.

2. **Nuclear Damage.**

We do not insure loss or damage that consists of, or is composed of, or that is, nuclear radiation. Further, we do not cover any **remediation** of, or provide any Loss of Use or any Extensions of Coverage for, expenses directly or indirectly due to, arising out of, or resulting from **remediation** of nuclear damage.

3. **Construction Defect.**

We do not insure loss or damage that is a construction defect in the **dwelling** or a **separate structure**, except as covered in Section I - Extensions of Coverage, Collapse of Building Structure or Structural Part of the Building Structure, or unless if by fire or lightning.

4. **Inherent Vice or Latent Defect.**

We do not insure loss or damage that is an inherent vice or latent defect in covered property.

5. **Contamination.**

We do not insure loss or damage that consists of, is composed of, or that is, **contamination** except as provided in Section I - Extensions of Coverage, Limited Water Coverage or Limited Lead and Asbestos Coverage, or unless if caused by fire or lightning. Nuclear **contamination** is not insured, even if caused by fire or lightning. Further, we do not cover any **remediation**, or provide any Loss of Use or any Extensions of Coverage, for expenses directly or indirectly due to, arising out of, or resulting from **remediation** of any **contamination** or of any **nuclear substance, noxious substance, fungi, pathogen**, or pollutants.

6. **Breakage, Impairment, Corruption, or Failure of Personal Property.**

We do not insure loss or damage that is the breakage, impairment, corruption, or failure of personal property, including any electronic or mechanical part of the personal property, except as provided in item 17.

7. **Wear and Tear, Deterioration, or Mechanical Breakdown.**

We do not insure loss or damage that is wear and tear, deterioration, or mechanical breakdown, unless if caused by fire or lightning.

8. **Marring.**

We do not insure loss or damage that is **marring** of covered property except as provided in item 17.

9. **Corrosion, Deterioration, Decay, or Rust.**

We do not insure loss or damage that consists of, is composed of, or that is corrosion, deterioration, decay, or rust, unless if caused by fire or lightning. This includes, but is not limited to, any decomposition, breakdown, and/or decay of man-made or natural material or matter by any agent.

10. **Fungi.**

We do not insure loss or damage that consists of, is composed of, or that is **fungi**, unless if caused by fire or lightning. Further, we do not cover any **remediation**, or provide any Loss of Use or any Extensions of Coverage, for expenses directly or indirectly due to, arising out of, or resulting from **remediation** or **fungi**.

11. **Pathogen.**

We do not insure loss or damage that consists of, is composed of, or that is, a **pathogen**, unless if caused by fire or lightning. Further, we do not cover any **remediation**, or provide any Loss of Use or any Extensions of Coverage, for expenses directly or indirectly due to, arising out of, or resulting from **remediation** of a **pathogen**.

12. **Movement, Settling, Cracking, Bulging, Shrinking, Heaving, Bending, or Expanding.**

We do not insure loss or damage that consists of, is composed of, or that is, the movement, settling, cracking, bulging, shrinking, heaving, bending, or expanding of any part of covered property, except as provided in item 17.

Movement, settling, cracking, bulging, shrinking, heaving, bending, or expanding of any part of covered property includes, but is not limited to, foundations, foundation fill material, foundation piers, foundation beams, footings, slabs, pads, patios, walls, floors, ceilings, roofs, roof structures, supports, walks, driveways, pavements, curbs, fences, retaining walls, bulkheads, spas, or swimming pools.

13. **Building Ordinance or Law.**

We do not insure the increased costs of or from the enforcement of any **building law**, except as provided in Section I - Extensions of Coverage, Building Ordinance or Law.

However, we do insure direct, physical loss or damage that results from order of governmental or public authorities to prevent the spread of a fire, if the fire results

from a cause of loss that would have been covered by this policy.

14. Home Share Business.

We do not insure loss or damage that is caused by, arises out of, or results from a **home share business**, or that is caused by, arises out of, or results from any **insured** or any **home-sharing occupant(s)** through a **home share business**. However, we do insure accidental, direct, physical loss or damage by fire when the fire is caused by, arises out of, or results from a **home share business**, or that is caused by, arises out of, or results from any **insured**, or any **home-sharing occupant(s)** through a **home share business**.

15. Existing Damage.

Existing damage includes, but is not limited to:

- a. loss or damage that occurred prior to the policy inception;
- b. claims or damages arising out of workmanship, repairs, and/or lack of repairs arising from loss or damage that occurred prior to the policy inception. This exclusion does not apply to covered ensuing loss that manifests itself within the **policy period**; or
- c. previous unrepaired portion of the insured property and previously suffered loss or damage.

This exclusion does not apply in the event of a total loss not otherwise excluded.

16. Exceptions to Uninsured Types of Loss or Damage.

- a. We do insure:
 6. Breakage, Impairment, Corruption, or Failure of Covered Personal Property;
 8. **Marring**; and
 12. Movement, Settling, Cracking, Bulging, Shrinking, Heaving, Bending, or Expanding; that is directly caused by the following causes of loss, subject to the terms, conditions, and limitations set forth in subsection B. Excluded Causes of Loss or Damage for any such cause of loss:
 - (1) fire or lightning;
 - (2) wind or hail, except **marring** of:
 - i. all metal materials that are part of a **separate structure**; or
 - ii. any of the following that are part of the **dwelling**:
 - (a) metal guttering or metal downspouts;
 - (b) metal **roof materials**;

(c) any metal **component part** of windows or window framing; or

(d) any metal **component part** of doors or door framing.

Wind or hail that causes a distinct and demonstrable actual hole or opening in any of the metal materials or items in i. or ii. is covered.

- (3) smog, smudging, or smoke (all only if sudden, abrupt, and accidental);
- (4) explosion resulting from combustion (other than nuclear explosion);
- (5) riot or civil commotion;
- (6) **aircraft** or vehicles;
- (7) theft or attempted theft;
- (8) falling objects;
- (9) fall of trees or limbs, including felling, topping, or trimming of trees;
- (10) weight of ice, snow, or sleet that causes damage to personal property contained in a building; or
- (11) artificially generated electric current.

b. We also insure:

6. Breakage, Impairment, Corruption, or Failure of Covered Personal Property; and

8. **Marring**;

that is directly caused by the following subsection B. Excluded Cause of Loss or Damage **vandalism or malicious mischief**; and by the Section I - Extensions of Coverage:

- (1) Limited Water Coverage; and
- (2) Collapse of a Building Structure or Structural Part of the Building Structure.

These coverage exceptions in subsection b. are subject to the terms, conditions, and limitations set forth for the exclusion and Extensions of Coverage.

Any exception to uninsured loss or damage will not apply if it occurs in combination, or in sequence, with any existing or other uninsured type of damage.

B. Excluded Causes of Loss or Damage.

Except as provided elsewhere in this policy, we do not:

- a. insure property covered by this policy;
- b. provide Loss of Use coverage; or
- c. extend coverage in any Extensions of Coverage; for loss or damage that directly or indirectly is caused by, arises out of, or results from, any of the excluded causes of loss or damage listed below, whether the loss or damage

occurs on or away from the **residence premises**. Acts or omissions of persons or other causes or other events can cause, contribute to, combine with, or aggravate any of the excluded causes of loss or damage to cause loss or damage. Loss or damage caused by an excluded cause of loss or damage is not covered, regardless of any acts, omissions, or decisions of any persons, group, organization, association, or governmental body or any other causes or other events that aggravate or contribute concurrently, or in any combination or sequence, with the excluded cause of loss or damage.

If covered and excluded causes of loss or damage each cause loss or damage to property such that the resulting damage is indistinguishable, except as to the timing or sequence of the causes of the damage, then none of the loss or damage is insured by this policy.

Excluded Causes of Loss or Damage are excluded whether they are, or are the result of, natural or man-made activities, conditions, or events. Excluded Causes of Loss or Damage apply to exclude the loss or damage arising from, or as a result of, the excluded activity, condition, or event, whether the loss or damage is direct or indirect, or immediate or consequential.

However, we do insure accidental, direct physical loss or damage by fire when the fire results from an excluded cause of loss or damage, except when the fire results from:

- Governmental Action, Destructive Acts, Nuclear Hazard, Meteorites, Illegal Substances, or Vandalism or Malicious Mischief, or Arson, if the **dwelling** is **vacant**; or
- an Increase in Hazard within the control or knowledge of an **insured**.

We do insure loss or damage that consists of, or is composed of, **water** damage from a covered fire, but we never insure loss or damage by, or resulting from, **earth movement** or flood caused directly or indirectly by fire.

- Earth Movement.**
- Water.**

This exclusion includes, but is not limited to:

- a **water - reverse flow**;
- flood, including debris flow and mud flow, any form of surface **water**, waves, tsunami, seiche, tidal **water**, tidal waves, storm surge, or overflow or escape of a body of **water**, or spray from any of these, whether or not driven by wind; or
- water** from any source whatsoever, on or below the surface of the ground, whether natural or otherwise.

This **water** exclusion applies even if **water** combines, or contributes in any way, with any other excluded cause of loss or damage herein to cause loss or damage, including, but not limited to, **fungi** or any **noxious substance**.

However, see Section I - Extensions of Coverage, Limited Water Coverage for limited coverage for **water** damage.

- Nuclear Hazard.**
- Neglect, Lack of Maintenance, or Failure to Make Repairs.**
Lack of maintenance includes a failure to undertake any maintenance.
- Faulty, Inadequate, Defective, or Incomplete Planning, Zoning, Maintenance, Repairs, Renovation, Manufacture, or Construction.**

We do not insure loss, damage, or costs, that directly or indirectly are caused by, arise out of, or result from, or any costs of fixing or making good, any faulty, inadequate, defective, or incomplete planning, zoning, development, surveying, siting, engineering, design, specifications, workmanship, maintenance, servicing, renovation, repair, manufacture, construction, grading, compaction, or materials that is for, is used in, or is part of a method or process involving any type of personal property owned or used by an **insured**, or any type of real property (including land or any improvements), whether or not the real property is owned or used by an **insured**.

This exclusion applies:

- whether the activity is by an **insured** or by any person, group, organization, association, or governmental body;
- whether or not an **insured** knew of, or approved, the activity;
- whether the property is on or off the **residence premises**;
- whether the property is insured by this policy;
- whether the activity involves a flawed quality of the property itself, or involves a flawed process, method, or procedure in producing property, or that affects property;
- whether the activity being performed on one item of property damages another item of the same or different property in the process; or
- whether the activity damages one aspect or part of property and another aspect or part of the same or different property becomes flawed as a result.

However, see Section I - Extensions of Coverage, Limited Water Coverage for limited coverage for **water** damage.

6. **Inherent Vice or Latent Defect.**

We do not insure loss or damage that directly or indirectly is caused by, arises out of, or results from any inherent vice or latent defect in property, or a quality in or of the property that causes it to damage or destroy itself, whether or not such defect or quality could have been discovered upon reasonable inspection.

However, see Section I - Extensions of Coverage, Limited Water Coverage for limited coverage for **water** damage.

7. **Contamination.**

We also do not insure any **remediation**, or provide any coverage in Loss of Use or any Extensions of Coverage, that directly or indirectly is due to, arises out of, or results from **contamination**, except as provided in Section I - Extensions of Coverage, Limited Lead and Asbestos Coverage.

8. **Wear and Tear, Deterioration, or Mechanical Breakdown.**

However, see Section I - Extensions of Coverage, Limited Water Coverage for limited coverage for **water** damage.

9. **Corrosion, Deterioration, Decay, or Rust.**

However, see Section I - Extensions of Coverage, Limited Water Coverage for limited coverage for **water** damage.

10. **Fungi.**

This exclusion includes, but is not limited to, the discharge, dispersal, migration, release, or escape of any **fungi**, whether combined with, caused by, or resulting from **water**. Further, we do not insure any **remediation** or provide any coverage in Loss of Use or any Extensions of Coverage that directly or indirectly is due to, arises out of, or results from **remediation** of **fungi**.

11. **Noxious Substance.**

Except as provided in Section I - Extensions of Coverage, Limited Lead and Asbestos Coverage, this exclusion includes, but is not limited to, the local or widespread discharge, dispersal, seepage, migration, release, or escape of any **noxious substance**. This exclusion applies whether or not:

- a. the **noxious substance** was used legally, normally, or intentionally for a purpose for which it was intended, and whether its use was confined within the general area of its intended use; or
- b. the **noxious substance** was the result of some legal and normal use of any process or product.

We do not insure any **remediation**, or provide any coverage in Loss of Use or any Extensions of Coverage, that directly or indirectly is due to, arises out of, or results from **remediation** of any **noxious substance**.

12. **Pathogen.**

This exclusion includes, but is not limited to, the discharge, dispersal, migration, release, or escape of any **pathogen**. Further, we do not insure any **remediation**, or provide any coverage for Loss of Use or any Extensions of Coverage, that directly or indirectly is due to, arises out of, or results from **remediation** of a **pathogen**.

13. **Building Ordinance or Law.**

Except as otherwise provided in Section I - Extensions of Coverage, Building Ordinance or Law, we do not insure loss or damage, or increased costs, that directly or indirectly is caused by, arises out of, or results from the enforcement of any **building law**.

14. **Governmental Action.**

- a. This exclusion applies to the confiscation, seizure, quarantine, condemnation, destruction, or other deprivation, hereinafter "action", of, or injury to, any property covered by this policy by any governmental authority or order of governmental authority. This exclusion applies even if:
 - (1) the governmental authority mistakenly believes it has the right to engage in the conduct;
 - (2) the "action" is sustained by property not intended or expected by the governmental authority;
 - (3) the damage is different, greater, or of a different quality than that intended or expected by the governmental authority;
 - (4) the governmental authority did not understand that "action" may result; or
 - (5) the "action" is incidental to policing activity of the governmental authority.
- b. However, we do insure direct, physical loss or damage caused by acts of confiscation, seizure, damage, or destruction of your property by any governmental authority, or order of governmental authority:
 - (1) taken at the time of a fire to prevent its spread, if the fire would be otherwise covered in this policy;
 - (2) in response to a medical emergency on the **residence premises** by emergency personnel; or
 - (3) if, subject to the Destructive Acts Exclusion, the confiscation, seizure, damage, or destruction is incidental to policing activity of a governmental

authority, which policing activity is directly caused by, or results from, the activities of a person who is not an **insured**, or who is not a tenant, roommate, roomer, live-in, or boarder or who is not a **home-sharing occupant**.

15. Power Interruption.

We do not insure loss or damage that is directly or indirectly caused by, arises out of, or results from the interruption of power or other utility service that originates off the **residence premises**, except as provided in Section I - Extensions of Coverage, Limited Water Coverage from freezing of a **water** pipe or Food Spoilage Coverage.

16. Artificially Generated Electrical Current.

We do not insure loss or damage that directly or indirectly is caused by, arises out of, or results from a sudden, abrupt, and accidental surge from, or increase or decrease in, artificially generated electrical current to any electronic components or wiring of or in covered property, except as provided in Section I - Extensions of Coverage, Artificially Generated Electrical Current.

17. Failure to Protect Covered Property.

We do not insure loss or damage that directly or indirectly is caused by, arises out of, or results from the failure or neglect of an **insured** to use all reasonable means to mitigate or abate covered loss or damage, or to protect covered property at and after the time of loss or damage, or when property is endangered by a covered cause of loss or damage.

18. Destructive Acts.

We do not insure loss or damage that directly or indirectly is caused by, arises out of, or results from any destructive act directed against civilian, military, or governmental personnel or property by any domestic or foreign person(s), organization(s), association(s), entity or entities, government, or any quasi-governmental body. This exclusion:

- includes, but is not limited to, war, undeclared war, civil war, terrorism, insurrection, seizure, rebellion, and revolution, all whether or not by military or paramilitary personnel, and including any direct or indirect consequence of these;
- applies even if the loss or damage is sustained by property not intended or expected; and
- does not include acts of **vandalism or malicious mischief**.

Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.

19. Theft.

We do not insure for theft:

- from a **dwelling** that is under construction, until after the construction has been completed and when the **dwelling** is occupied by an **insured**;
- from a **dwelling** that is undergoing remodeling or renovation unless the **dwelling** is occupied by an occupant who is legally using the **dwelling** as a principal, habitual place of abode;
- from the **residence premises**:
 - (1) if the **dwelling** has been **vacant** for a period of more than 30 days prior to the theft; or
 - (2) if the date of the theft is not known and if for a period of more than 30 days prior to the date on which the theft is discovered the **dwelling** has been **vacant**;however, this 30 day period begins on or after the original inception date of the policy.
- committed by any **insured**, or at the direction of any **insured**;
- committed by any person who is or has regularly resided at an **insured location**. However, theft committed by a **residence employee** is covered;
- from any part of a **residence premises** rented to others;
- of property from any other premises owned, occupied by, or rented to an **insured**, unless an **insured** is temporarily residing there at the time of the theft. Property of an **insured** in a secured rental storage facility is covered. Property of a student **insured** is covered at a residence away from the **residence premises** if the student has been at the residence any time 45 days before the theft;
- of watercraft, campers, or trailers and their equipment, furnishings, and outboard motors when off the **residence premises**;
- of building materials and supplies while off the **residence premises**;
- directly or indirectly caused by, arises out of, or results from any type of sale or transfer of real or personal property, whether voluntary or involuntary, including, but not limited to, internet transactions, or any investment or any investing activity, all whether induced to do so by or resulting from conversion, fraud, false pretenses, or other deceptive practices; or

- k. committed by or at the direction of any person to whom an **insured** has given or allowed power of attorney, or any other similar power, or any type of authorization in or over the property of the **insured**.

Theft includes attempted theft. Theft does not include mysterious disappearance of property. We do not insure a shortage of property or property taken by someone who claims a right to such property through a written or oral agreement with any **insured**, unless a court of law rules that a theft did occur. To be covered by this policy, any theft must be immediately reported to the local police.

20. **Mysterious Disappearance.**

Mysterious disappearance is an unexplained loss of property. It includes losing or misplacing property.

21. **Vandalism or Malicious Mischief or Arson.**

We do not insure loss or damage that directly or indirectly is caused by, arises out of, or results from:

- a. **vandalism or malicious mischief** if:
 - (1) the **dwelling** has been **vacant** for a period of more than 30 days prior to the **vandalism or malicious mischief**; however, this 30-day period begins on or after the original inception date of the policy; or
 - (2) it is committed by any person who is or has regularly resided on the **residence premises**; or
- b. arson, whether or not a result of **vandalism or malicious mischief**, if the **dwelling** has been **vacant** beyond a period of 60 consecutive days prior to the arson. This 60-day time period can begin before the original inception of this policy.

For subsections a. and b., if the date that the **vandalism or malicious mischief** or arson occurred is not known, then the date of discovery of the damage will be the date of loss.

Vandalism or malicious mischief does not include theft of property.

22. **Pests or Animals.**

This exclusion only applies to:

- a. Pests; or
- b. to animals or creatures owned or kept by an **insured**, tenants, roommates, roomers, live-ins, boarders, or **home-sharing occupants**.

Pests include, but are not limited to, bats; rats, mice, and other rodents; bees; termites; moths; vermin; birds; fish; reptiles; racoons; skunks, opossum; insects; and arachnids.

However, see Section I - Extensions of Coverage, Limited Water Coverage for limited coverage for **water** damage.

23. **Smog, Smudging, or Smoke.**

We do not insure loss or damage that directly or indirectly is caused by, arises out of, or results from smog, smudging, or smoke:

- a. from the manufacturing of controlled substances, or from legal or illegal commercial, manufacturing, industrial, or agricultural operations, whether on or off the **residence premises**, even if sudden, abrupt, and accidental; or
- b. that originates on the **residence premises**, unless the smog, smudging, or smoke is sudden, abrupt, and accidental.

24. **Pressure by Trees, Shrubs, Plants, or Lawns.**

We do not insure loss or damage that directly or indirectly is caused by, arises out of, or results from pressure by, push from, or presence of:

- a. any trees, shrubs, plants, or lawn; or
- b. any root system from any trees, shrubs, plants, or lawn.

However, see Section I - Extensions of Coverage, Limited Water Coverage for limited coverage for **water** damage.

25. **Soil Conditions.**

Soil conditions include, but are not limited to, corrosion, erosion, chemicals, compounds, elements, formation of crystals, suspensions, or gels of or in the soil, or saturation of the soil.

26. **Wind or Hail.**

We do not insure loss or damage that directly or indirectly is caused by, arises out of, or results from wind or hail:

- a. to personal property covered by this policy contained in a **building structure** caused by sand or dust, unless the direct force of wind or hail first damages the **building structure** causing an opening in a roof or outside wall and then sand or dust enters through this opening and causes the loss or damage to the personal property;
- b. to watercraft and windsurfers, including their trailers, furnishings, equipment, and outboard motors, unless inside a fully enclosed **building structure** at the time of loss or damage; or
- c. to cloth awnings, greenhouses and their personal property, radio and television towers, masts, and antennas, including lead-in wiring, and wind chargers and windmills.

27. Aircraft or Vehicles.

However, we do insure loss or damage from accidental, direct, physical contact by an **aircraft**, or any refuse from an **aircraft**, or a vehicle, with covered property or with a structure containing the covered property. Coverage will not apply unless the **aircraft** or vehicle is moving. Section I - Extensions of Coverage, Artificially Generated Electrical Current and Food Spoilage are not subject to this exclusion.

28. Falling Objects.

- a. We do not insure loss or damage to covered property that is caused by, or results from, objects that fall as a result of any cause of loss or damage excluded in this policy.
- b. We do not insure loss or damage to personal property contained in a **building structure** caused by:
 - (1) a falling object, unless the direct force of the falling object first damages the roof or an outside wall of the **building structure**; or
 - (2) sand or dust, unless the direct force of a falling object first damages the roof or an outside wall of the **building structure**, and then sand or dust enters through this opening and causes the loss or damage to personal property.
- c. We do not insure loss or damage to covered property caused by, or resulting from, meteorites.

A falling object is a material, inanimate thing that can be touched. Loss or damage to the falling object itself is not covered.

29. Collapse.

However, we do provide limited coverage for collapse of a **building structure** or any structural part of a **building structure** in Section I - Extensions of Coverage, Collapse of Building Structure or Structural Part of the Building Structure.

30. Sales or Transfers of Property.

We do not insure loss or damage that directly or indirectly is caused by, arises out of, or results from any type of sale or transfer of real or personal property by or to an **insured**, including, but not limited to, internet transactions, and whether by conversion, fraud, trickery, false pretenses, or other deceptive practices.

31. Pollution.

We also do not insure any **remediation**, or provide any coverage in Loss of Use or any Extensions of Coverage, that directly or indirectly is due to, arises out of, or results from **remediation** of pollution.

This exclusion does not apply to loss or damage caused by sudden, abrupt, and accidental smoke or fumes from a fire.

32. Refinishing, Renovating, Repairing, Servicing, Restoring, Reconditioning, Retrofitting, or Retouching of Personal Property.

33. Weather Conditions.

This only applies if the weather condition contributes to, or combines with, any cause of loss or damage excluded in this policy to cause loss or damage, except if with Falling Objects or Power Interruption. This applies:

- a. whether or not the weather condition affects property covered by this policy; and
- b. whether the property is on or off the **residence premises**.

34. Movement, Settling, Cracking, Bulging, Shrinking, Heaving, Bending, or Expanding of any Structure.

35. Malfunction or Failure of Software or a Computer System.

This applies whether or not a result of error or malicious activities.

36. Extremes of Temperature.

This exclusion includes freezing, except as provided in Section I - Extensions of Coverage, Limited Water Coverage.

37. Illegal Substances.

We do not insure loss or damage that directly or indirectly is caused by, arises out of, or results from the sale, growth, manufacture, cultivation, distribution, delivery, processing, or transfer of marijuana, or of any illegal substance as defined by federal or state law. Such illegal substances include, but are not limited to, explosives, cocaine, LSD, methamphetamines, and all narcotic drugs.

Section I - Property Conditions

1. Limits of Insurance.

- a. The **stated limits** or any other applicable limits of insurance in this policy are the most we will pay for covered loss or damage. You are responsible for selecting the **stated limits**.
- b. Subject to **stated limits**, with each covered loss or damage to the **dwelling** or any **separate structure**, the amount of insurance coverage applicable to that structure will be reduced by the estimated amount of the loss or damage until reconstruction or repairs are actually made.

Farmers Smart Plan Home[®] Policy - California (continued)

2. Insurable Interest.

If more than one person or entity has an insurable interest in the covered property, the most we will pay is an amount equal to the **insured's** interest, unless specifically stated otherwise herein.

3. Duties After Loss.

In case of covered loss or damage to property, it is your responsibility to:

- a. give prompt written notice to us or our agent without unnecessary delay. In the case of loss caused by wind or hail, the notice must be within 365 days after the date of loss. In case of theft, you must also immediately notify the police. In case of loss in Section I - Extensions of Coverage, Identity Fraud, involving an unauthorized use of a credit card, debit card, fund transfer card, forgery, or acceptance of counterfeit money, you must also immediately notify the police, and if applicable, the issuer of the card, credit bureau, credit reporting agency, or credit grantor;
- b. protect the property from further damage. You should make any reasonable and necessary emergency repairs or perform loss mitigation needed to protect the property from further damage. See Section I - Property Conditions, Emergency Services following. Failure to perform emergency repairs or act to mitigate the loss may result in continuing or secondary damages that may not be covered by this policy. You must keep records and receipts of your costs;
- c. make a list of all damaged or destroyed personal property showing in detail the quantity, description, **actual cash value**, replacement cost, age, and amount of loss. Attach all bills, receipts, and related records that support your figures;
- d. cooperate with our investigation of the loss or damage and our request for proof of any repairs or replacement of the damaged property;
- e. as often as we reasonably require:
 - (1) show us the damaged property or provide us and our representatives access to the damaged property and the **residence premises** in order to, among other things, determine the types of loss or damage and the extent and cause thereof, and costs of repair or replacement;
 - (2) provide us with records, documents, and other information we may request, and permit us to make copies. This includes, but is not limited to banking records, asset, debt, and income information, records, and documents, credit history, and other financial records, prior insurance losses with us or other insurers, or receipts for property damaged, if obtainable;
- f. send us within 60 days after our request, your signed, sworn statement showing:
 - (3) allow us to take samples of damaged property for inspection, testing, and analysis;
 - (4) submit to examinations under oath at such times and places as we reasonably designate. We may require the examinations to be taken separately and apart from any other person defined as you or an **insured**. Each examinee must sign a transcript of their examination;
 - (5) produce representatives, employees, members of your household, or others for interviews or examinations under oath to the extent it is within your power to do so;
 - (6) submission to a requested examination(s) under oath is a condition precedent to recovery in this policy. Our denial of your claim shall not act as a waiver of our right to examinations under oath; and
- (1) date, time, location, and cause of loss or damage;
- (2) interests of all **insureds** and all others in the property involved;
- (3) all legal claims against the property involved, including lienholders;
- (4) all other insurance and any warranty, service, or maintenance contract that may cover the loss or damage (see Other Insurance condition following);
- (5) all information we request to investigate the claim;
- (6) changes in title or occupancy of the property;
- (7) specifications and detailed repair estimates of any damaged structure;
- (8) a list of stolen, damaged, or destroyed personal property described in subsection 3.c. above;
- (9) receipts and records that support additional living expenses and loss of rents; and
- (10) evidence that states the amount and cause of loss to support a claim in Section I - Extensions of Coverage, Identity Fraud coverage.

To the extent an **insured**, other than you, is a beneficiary of coverage in this policy, that **insured** shall also be responsible for complying with the duties and responsibilities set forth in this policy respecting loss or damage, including examinations under oath and production of information requested by us.

4. Emergency Services.

In the event your covered property sustains covered loss or damage, you should protect the property from further damage. You should make any reasonable and necessary emergency repairs or act to mitigate the loss to protect the property from further damage (hereinafter "emergency services"). We will reimburse the necessary, reasonable costs you incur on an emergency basis at, or soon after, the time of loss to mitigate further damage from the covered event. If you undertake emergency repairs or services, you must give prompt notice to us or our agent without unnecessary delay, and show us the damaged property, or provide us and any of our representatives access to the damaged property so that we may, among other things, determine the types of loss or damage and the extent and cause thereof, and estimate the reasonable costs of repair or replacement, if covered. This is not additional insurance. Expenses incurred for emergency services are subject to the applicable Coverage A, B, or C **stated limit**, any Special Limits on Certain Personal Property that apply to the property, and your policy deductible. Emergency services do not include mitigation or abatement of uninsured types of loss or damage, including, but not limited to, **remediation** of any **nuclear substance**, **noxious substance**, except as provided in Section I - Limited Lead and Asbestos Coverage, **pathogen**, **fungus**, or pollutant, or any **contamination**.

If you report loss or damage to covered property and if you have not already performed reasonable, necessary emergency services, at our sole discretion we may assist you in obtaining such emergency services before we determine if the loss or damage is covered by this policy. Although we are not obligated to do so, we may advise you of, or we may refer, an independent contractor to perform such emergency services. However, you are responsible for contracting for such emergency services with the independent contractor at any time. You have the right to reject the independent contractor at any time. The provision of such emergency services will not prejudice our right to later deny coverage for any loss or damage.

It is solely your responsibility to direct or manage the activities of any independent contractor providing emergency services. We make no representation as to the skill or experience of any independent contractor. We do not warrant the workmanship of any independent contractor. We are not responsible for the acts or failures to act of any independent contractor. We do not assume liability for injuries sustained by you or any other person resulting from or arising from any repair, attempted repair, or from any acts to mitigate the loss.

5. How We Settle Covered Loss.

Covered accidental direct physical loss or damage will be settled as follows.

- a. Coverage A (**Dwelling**) and Coverage B (**Separate Structures**). We will only settle covered loss or damage on the basis of use as a private residence.
 - (1) Settlement for covered loss or damage to a specific, individual **component part(s)** of the **dwelling** or **separate structures**, except for **roof materials**, will be settled at reasonable and necessary replacement cost, without deduction for depreciation, for the lesser of the following:
 - i. the applicable **stated limit** or other limit of insurance in this policy that applies to the damaged or destroyed **dwelling** or **separate structure(s)**;
 - ii. the reasonable repair or replacement cost of that specific **component part(s)** damaged for equivalent construction with materials of like kind and quality on the **residence premises**, determined as of the time of loss or damage;
 - iii. the reasonable and necessary amount actually spent to repair or replace the specifically damaged **component part(s)** of the **dwelling** or **separate structure(s)**; or
 - iv. the loss to the interest of the **insured** in the property.

When the cost to repair or replace damaged property is more than \$2,500, we will pay no more than the **actual cash value** of the damaged **component part(s)** of property until actual repair or replacement is completed. If the damage to the **dwelling** should be a total loss, then the **actual cash value** payment will be no more than the **stated limit** until actual repair or replacement of the **dwelling** is completed.

If the **dwelling** or a **separate structure** is damaged beyond reasonable repair and is rebuilt, replaced or a new dwelling is purchased at a different location, the costs described in subsection ii. above are limited to the costs that would have been incurred if the **dwelling** or **separate structure** had been rebuilt or replaced at its location on the **residence premises**.

Reasonable and necessary replacement cost:

- i. does not include damage to property otherwise uninsured or excluded in this policy; and

- ii. will be based on discounted pricing if we are able to obtain discounted pricing for such repair(s) or replacement(s).

(2) Roof Materials.

- i. Roof Materials at Replacement Cost. If your Declarations show that **roof materials** are settled on a replacement cost basis, the exception as it applies to **roof materials** in a.(1) is removed and covered loss or damage for **roof materials** will be settled as set forth in subsection a.(1) above. When the cost of the entire covered loss event, including damage to **roof materials**, is more than \$2,500, we will only pay the **actual cash value** for **roof materials** until repairs or replacement are completed.
- ii. Roof Materials at Actual Cash Value. If your Declarations show that **roof materials** are settled on an **actual cash value** basis, then covered loss or damage to those **roof materials** damaged will be paid on an **actual cash value** basis, subject to the applicable **stated limit**.

Increased costs from the enforcement of any **building law** will not be paid until incurred in accord with subsection e.

(3) Fences.

Settlement for fences is determined by what is shown in the How We Settle a Covered Loss for Property Claims section of the Declarations as follows:

- i. If the Declarations show Replacement Cost for fences, then 5.a.(1) above applies for settlement of covered loss or damage to that type of property.
- ii. If the Declarations show Actual Cash Value for fences, then settlement of covered loss or damage to that type of property will be settled on the basis of the **actual cash value** of the lost or damaged **component parts** of that type of property.

b. Coverage C (Personal Property).

- (1) If the Declarations show that Personal Property Replacement Cost coverage applies, then covered accidental direct physical loss or damage to covered personal property, except for those types of personal property described in subsection (3) below, will be settled at replacement cost without deduction for depreciation for an amount that is reasonably necessary to repair or replace the damaged property, but for no more than the lesser of the following:
 - i. any **stated limit** or other limit of insurance in this policy that applies to the property;

- ii. the replacement cost of that part of the property damaged for equivalent manufacture or construction with materials of like kind and quality, determined as of the time of loss;
- iii. the reasonable amount actually and necessarily spent to repair or replace damage to the property; or
- iv. the loss to the interest of the **insured** in the property.

Reasonably necessary replacement costs may be based on discounted pricing we obtain that is made available to you for repair or replacement.

- (2) We will pay no more than the **actual cash value** of the property at the time of loss until actual repair or replacement is completed. Except for those types of personal property described in subsection (3) below, you may collect any additional amount on a replacement cost basis. To do so the property must have been repaired or replaced in accordance with and subject to Section I - Property Conditions, Replacement Cost Settlement - Time Limitation.
- (3) Covered loss or damage to the following types of personal property, whether or not attached to buildings or any structure, will be settled as shown below in subsection (4):
 - i. property that cannot be replaced;
 - ii. property not in workable condition at the time of loss or damage;
 - iii. property, the age or condition of which has rendered it either obsolete or unusable for the purpose for which it was originally intended;
 - iv. paintings; etchings; pictures; tapestries; art glass windows; or other bona fide works of art or rarity, historical value or artistic merit, including, but not limited to, valuable rugs; statuary; marble; rare books; manuscripts; bronzes; porcelains; rare glass; or bric-a-brac;
 - v. antiques, including, but not limited to, furniture, metalware, tools, toys, and bric-a-brac;
 - vi. photographs or negatives; digital or analog storage medium that contains data; or articles whose age or history contribute substantially to their value. This includes, but is not limited to, memorabilia, souvenirs, collectibles, and collector's items;
 - vii. farm equipment principally used on the **residence premises**;

- viii. recreational vehicles designed principally for off-road recreational use that are only used on the **residence premises**, including, but not limited to, all-terrain vehicles; or
 - ix. **motor vehicle** parts if covered; equipment, machinery, furnishings, or accessories not attached to or located in or upon any **motor vehicle**.
- (4) The covered types of personal property shown above in subsection (3) will be settled for no more than the lesser of the following:
- i. **actual cash value**;
 - ii. any **stated limit** or other limit of insurance in this policy that applies to the property; or
 - iii. the reasonable and necessary amount actually spent to replace lost property or to repair damage to the property.
- (5) the Coverage C **stated limit** is the most we will pay regardless of the number of items of personal property that are involved in a loss event.
- (6) we may repair or replace damaged property with equivalent like kind and quality property.
- c. We do not cover as part of the settlement of covered loss any:
- (1) cost to repair or replace property that is not damaged but does not match with the materials used to repair or replace the specific **component part(s)** of property that is damaged because of:
 - i. **marring**; or
 - ii. wear, tear, deterioration, corrosion, or decay; or
 - (2) actual or perceived loss in value to any property, including but not limited to, because materials used to repair or replace lost or damaged property do not match undamaged property; or
 - (3) consequential loss or damage to property that is a result of a condition of the property that is uninsured or excluded in Section I - Uninsured Types of Loss or Damage and Excluded Causes of Loss or Damage.
- d. General contractor fees or charges will only be included as reasonable replacement costs if it is reasonably likely that the services of a general contractor will be required to manage, supervise, and coordinate repairs.
- e. (1) **Actual cash value** and replacement cost settlements will not include payment of:
- i. increased costs of or from the enforcement of any **building law**; or
 - ii. costs to match property that is not damaged with materials used to repair or replace damaged property; unless such fees, charges, or costs are covered by this policy, and if covered, until you actually incur and pay such fees, charges, and costs.
- (2) If loss or damage to any property, or any **component part** thereof, may only be settled on an **actual cash value** basis without recovery of depreciation, then for that settlement, if actually covered and incurred:
- i. Item (1)i. will be paid without deduction for depreciation, and
 - ii. Item (1)ii. will be paid with a deduction for depreciation.
6. **Replacement Cost Settlement - Time Limitation.**
- For any loss to property that may be settled on a replacement cost basis, you have 365 days from the date of our first payment toward **actual cash value** to collect any amounts due for replacement cost settlement. Additional extensions of 6 months shall be provided if good cause can be shown. The property must be actually repaired or replaced by you to collect replacement cost. If you do not actually repair or replace the property within the time periods stated above, then the loss or damage will be settled at **actual cash value**.
7. **Other Insurance.**
- Except as provided below, this insurance is excess of any other insurance covering the same property. If covered property sustains loss or damage covered by the other insurance, we will be liable only for that portion of the loss covered by this policy that is in excess of the limit of insurance that applies to the other insurance. For this provision, other insurance includes any type of warranty or service or maintenance contract.
- If other insurance is issued by us or any other insurer comprising the Farmers Insurance Group[®] covering the same loss or damage, the loss or damage will only be payable by the single policy providing the highest limit of insurance.
8. **Deductible Clause.**
- a. We only pay for loss or damage when a covered loss exceeds the deductible(s) amount that applies to the property. The deductible(s) applies separately to each loss or damage event. All **stated limits**, including special limits, will be applied after the appropriate deductible(s) to the loss or damage is applied.
 - b. The following provision applies only if a mortgagee is named in the Declarations:

For any loss in which only the mortgagee's interest is adjusted and settled, not including any interest that you may have in the property or loss, the applicable deductible for any interest of any mortgagee will be the smallest of the following amounts:

- (1) the deductible stated in the Declarations; or
- (2) \$1,000.

The policy deductible stated in the Declarations will apply to settlement of any interest you may have in the property or loss.

c. **Single Loss Deductible.**

If covered loss or damage to your insured property is caused by the same loss event that causes covered loss or damage to property covered by your Farmers auto policy, we will only apply the greater of the applicable deductible for this policy or the applicable deductible for your auto policy.

The Single Loss Deductible will only apply if it:

- (1) is shown on the Declarations for both your Farmers homeowners policy and your Farmers auto policy, and
- (2) results in a greater total claims payment to you.

9. **Loss or Damage to a Pair or Set.**

We may elect to:

- a. pay for the repair or replacement of any part of the pair or set to restore it to its value before the loss or damage; or
- b. pay the difference between the **actual cash value** of the property before and after the loss or damage.

Loss or damage to a part does not mean a total loss or damage of the pair or set.

10. **Appraisal.**

- a. If you or we fail to agree on the **actual cash value** or the **incurred property damage** of your **claimed loss**, either you or we may make a written demand for appraisal. In the event of a government declared disaster, as defined in the Government Code, appraisal may be requested by either you or us but shall not be compelled. The appraisal shall be made in strict conformance with the terms of this Appraisal condition. Neither you nor we may assign the right to demand appraisal, whether before or after loss or damage. Any assignment shall be void.
- b. (1) Within 20 days of the receipt of a written demand for appraisal, you and we each shall:
 - i. appoint a qualified individual person as an appraiser; and
 - ii. notify the other in writing of the appraiser's name and contact information.

- (2) In order for a person to be qualified to act as an appraiser, the person must be competent, independent, neutral, and impartial. A person:

- i. who has performed, or who is employed by any entity that has performed any work, or a person who has provided any service for either you or us in relation to any **claimed loss** in this policy, whether or not such work or service has been or will be paid; or
- ii. who has or may perform, or who is employed by an entity that has or may perform repairs or replacement of your property;

shall not be qualified to serve as an appraiser.

- (3) Upon acceptance of the appointment, each appraiser shall within 5 days disclose in writing to you and to us any known facts that a reasonable person may consider to affect the independence, neutrality or impartiality of the appraiser, including without limitation:

- i. any financial or personal interest in the outcome of the appraisal; and
- ii. any current or previous relationship with you or us, or your or our counsel, other representative(s) or experts, or with the other appraiser.

- c. You and we may provide the appraisers, and the umpire if appointed, with estimates, expert opinions, appraisal forms, or any information you or we believe to be relevant to the appraisal. Any such documents and information must also be provided to the other party. However, no formal legal discovery shall be conducted by either the appraisers, any umpire, or you or us during or for the preparation of the appraisal, and no court reporter shall be used. The rules of civil procedure and the rules of evidence shall not apply to the appraisal process, and no hearing shall be conducted by the appraisers at which either you or we provide any evidence pertaining to your **claimed loss**.

- d. (1) The appraisers shall determine the **incurred property damage**, if any, to each of the **component parts** of that property for which you have **claimed loss**, and the **actual cash value** of the **incurred property damage**, as of the date of the loss. In determining the **actual cash value** of the **incurred property damage**, the appraisers shall only use reasonable costs of materials of like kind and quality unless the policy expressly provides otherwise.
- (2) The appraisal shall separately state and itemize the following for each individual **component part** of the **incurred property damage**:

- i. a description of each **component part** of the property;
 - ii. a description of the distinct and demonstrable physical injury to or destruction of each **component part**, if any, without reference to what caused the damage;
 - iii. a description of the reasonably necessary repairs or replacements for each **component part** of property;
 - iv. the estimated costs of the reasonably necessary repairs or replacement(s) to each **component part** of property;
 - v. the estimated amount of proper depreciation and/or obsolescence to each **component part** of property; and
 - vi. the **actual cash value** of the **incurred property damage**.
- (3) The appraisers will provide detailed, verifiable support:
- i. of the reasonableness of the costs, including unit costs;
 - ii. that the materials are of like kind and quality, if the policy loss settlement requires like kind and quality settlement; and
 - iii. of the factors and basis used to determine depreciation and/or obsolescence.
- (4) The appraisers may consider and provide you and us with a separate statement of the estimated cost(s) for any repairs or replacements that may be required by **building laws**, but the appraisers may not determine whether such amounts are covered by this policy.
- (5) The appraisers shall submit their written appraisal in strict conformance with this subsection d., to both you and to us, and the amounts agreed upon by the appraisers will be the **incurred property damage** and the **actual cash value** of the **incurred property damage** to each **component part** of property for which you have **claimed loss**, and will be binding.
- (6) The appraisers are not authorized to, and shall not decide the cause, or causes, of your **claimed loss** or any **incurred property damage**.
- (7) The appraisers are not authorized to decide whether any **incurred property damage** is covered by this policy.
- Substantial conformance with this Appraisal condition does not satisfy the terms of this Appraisal condition. As appropriate, each of the foregoing shall also apply to theft.
- e. (1) If the appraisers cannot agree on the **incurred property damage** or the **actual cash value** of the **incurred property damage**, they will advise each of us of their failure to agree and of the need to appoint an umpire to resolve their differences. The appraisers may then agree on an umpire. If the appraisers advise each of us that they cannot agree on an umpire, you or we shall then first request the American Arbitration Association (AAA) to select an umpire.
- (2) Only if the AAA advises you and us in writing that it cannot appoint an umpire may we then jointly request a judge of a district court in the judicial district where the **residence premises** is located to select an umpire. A judge of a district court does not include a commissioner or a judge of a county court at law, a justice court, a municipal court, a probate court, or of a commissioner's court.
- (3) In order for a person to be qualified to act as an umpire, such person must be qualified and meet the conditions as required in subsection b.(2).
- (4) Upon the appointment of an umpire by the appraisers, AAA, or a district judge, the umpire shall within 5 business days disclose in writing to you and to us the information required in subsection b.(3).
- (5) Within 20 days of a qualified umpire being appointed, each of the appraisers shall then submit to the umpire, and to both you and us, their appraisals. Their appraisals shall contain all of the information required in subsection d. above, and shall identify each specific matter upon which they disagree and explain in detail why they disagree. Both appraisers and the umpire shall then together meet and confer. The umpire shall then prepare an appraisal. A written appraisal in strict conformance with and setting forth all the information required in subsection d. above, agreed upon and signed by the umpire and either one or both of the two appraisers will determine the **incurred property damage** and the **actual cash value** of the **incurred property damage** of your **claimed loss**, and will be binding.
- (6) If a vacancy should occur regarding the umpire, the vacancy shall be filled in accord with the foregoing process by which the vacating umpire was appointed. Any appointed umpire is subject to (3) and (4) of this subsection e.
- f. Each party will pay the costs of the appraiser it chooses. The costs of the umpire, including if appointed by AAA, and all other reasonable expenses of the appraisal will be

Farmers Smart Plan Home[®] Policy - California (continued)

shared and paid equally by you and us. If AAA appoints the umpire, we will pay AAA's process fees.

g. The appraisal shall not:

- (1) determine whether your **claimed loss** or any **incurred property damage**, or any part thereof, is covered by this policy;
- (2) determine the cause or causes of the **claimed loss** or any **incurred property damage**;
- (3) make any factual finding that directly or indirectly determines whether your **claimed loss** or **incurred property damage**, or any part thereof, is covered by this policy;
- (4) interpret this policy;
- (5) award or determine any interest or penalties;
- (6) determine whether property which has not sustained **incurred property damage** is to be matched with materials used to repair or replace property that has sustained **incurred property damage**, or any amount for matching;
- (7) determine whether the services of a general contractor will be required to manage, supervise, and coordinate the repairs, or any amount for general contractor's fees or charges; or
- (8) determine loss settlement per a loss settlement provision of this policy.

h. Any demand for appraisal must be made within the contractual suit limitations period stated in this policy. After that time neither you nor we may demand an appraisal.

- i. If you or we timely demand an appraisal, then upon request or motion made by either you or us for abatement of any suit for, or involving, the **claimed loss**, the suit shall be abated until after an appraisal award is made in strict conformance with this Appraisal condition.
- j. Even after an appraisal award, we retain the right to deny any **claimed loss** or **incurred property damage**, or any part thereof.

11. Intentional Acts, Criminal Acts, and Fraud.

We do not provide coverage for loss or damage if any **insured** has before or after the loss or damage or in relation to any insurance provided in this policy:

- a. concealed or misrepresented any material fact or circumstance;
- b. intentionally caused, conspired to cause, or arranged for the loss or damage;

- c. directly or indirectly caused the loss or damage while engaged in committing or concealing a felony as defined by either federal or state law;
- d. engaged in fraudulent conduct; or
- e. made material, false statements.

We do not provide coverage for loss or damage resulting from a criminal act committed by or at the direction of any **insured**. This applies whether or not the loss or damage is the intended result of such an act, even if not subjectively intended or expected by any **insured**. This applies even if any **insured** is not actually charged with or convicted of a crime. We do not provide coverage for loss or damage that arises or results from, or is caused by, a criminal act for which any **insured** is actually convicted, or for which any **insured** pleads guilty, no contest, or true in a criminal proceeding.

However, this Condition will not apply to limit or deny payment to an innocent **insured** who did not cooperate in, contribute to, commit, or conspire to commit any act that results in loss or damage by fire.

If we pay a claim to an innocent **insured**, our payment to that **insured** is limited to that **insured's** insurable interest in the property, less any payments we first made to a mortgagee or other party with a secured interest in the property. In no event will we pay more than the **stated limit** or any other limit of insurance. As a condition of payment for intentional loss caused by another **insured** in this exception to the exclusion, we may require an assignment of rights of recovery to the extent payment is made by us.

12. Suit Against Us.

No suit or other action can be brought against us, our agents, or our representatives unless there has been full compliance with all the terms of this policy, including, but not limited to:

- a. submission to requested examinations under oath; or
- b. valuation of the **actual cash value**, and/or the **incurred property damage** by appraisal, if the suit or action involves such.

Suit on or arising out of the Section I - Property Coverage of this policy must be brought within one year after inception of the loss or damage.

13. Loss Adjustment and Payment.

If, within a six-month period, we assign more than two adjusters to be primarily responsible for a claim for loss, we will provide you with a written status report of the claim in a timely manner. The report will include a summary of any decisions or actions that are substantially related to the disposition of the claim. This includes, but is not limited to,

the amount of losses to structures or contents, the retention or consultation of design or construction professionals, the amount of coverage for losses to structures or contents, and all items of dispute.

At our option, we may adjust all losses with you. We may pay you unless another payee is named in the policy, in which case we will pay as interests appear. We will pay within 30 days after:

- a. we reach agreement with you;
- b. a final judgment; or
- c. an appraisal award.

Upon our receipt of an appraisal award, in conformance with the Appraisal provision of this policy, payment by us of the award, or any part of the award, within the time required in this policy estops any contractual or extra-contractual claim by you that may directly or indirectly arise from, or may be related to, the failure of you and us to agree as to the **actual cash value**, amount of loss or damage, or the cost of repair or replacement of the loss or damage of your **claimed loss**. Your failure or refusal to accept our payment does not affect estoppel. Our payment of the award, or partial payment, binds you and us to that part paid, and estops any contractual or extra-contractual claim as to that part paid.

14. Abandoned Property - Our Option.

We need not accept property abandoned by an **insured**. At our sole option and discretion, we may repair or replace any part of the damaged property with material or property of like kind and quality or we may take all or part of the damaged property at an agreed or the appraised value. We will give you written notice of our intention within 15 days after receipt of your signed sworn statement of loss or the written agreement from the appraisal.

15. Mortgagee Clause.

- a. Mortgagee includes trustee or loss payee. If a mortgagee is named in this policy, a covered loss will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.

If we deny your claim, based on your act, omission, or neglect, such denial will not apply to a mortgagee's valid claim if the mortgagee:

- (1) knows and promptly notifies us of any change of ownership, occupancy, or **vacancy**, or of substantial change in risk;
- (2) pays on demand any premiums due if you have failed to do so; and

- (3) submits a signed, sworn statement of loss within 60 days after we notify the mortgagee of your failure to do so.

- b. All policy conditions and terms will apply to the mortgagee, except Misrepresentation, Concealment, or Fraud, unless committed by the mortgagee or its representatives. A mortgagee will only have a valid claim if it knows and promptly notifies us of any change in ownership, occupancy, or **vacancy**, or of a substantial change in risk.
- c. We will give the mortgagee at least 10 days notice before we cancel this policy. If we pay the mortgagee for any loss and deny payment to you:
 - (1) we have right of recovery against any party responsible for the loss; and
 - (2) at our option, we may pay off the entire mortgage debt to the mortgagee. In this event, we receive full assignment and transfer of the mortgage, including all security held as collateral to the mortgage debt, and we are subrogated to all the rights of the mortgagee per the mortgage.

A mortgagee's claim will not be impaired by transfer of a right of recovery.

- d. If the **dwelling** is foreclosed upon per the deed of trust or any other legal means, or if the mortgagee otherwise acquires ownership of the **dwelling**, in our sole and absolute discretion, we may comply with a request by the mortgagee to cancel this policy of insurance on behalf of all parties who have an interest insured by this policy.

16. No Benefit to Bailee.

This insurance will not benefit any person or organization who may be storing, holding, caring for, handling, or moving property for a fee. We will not recognize any assignment or grant any coverage herein to any such person or organization.

17. Salvage.

We have salvage rights to damaged property for which we pay loss benefits. We have the right to all or part of the property that may be recovered, including property substituted by others to conceal the loss.

Section II - Liability

Section II - Liability Coverage

We will insure you for the coverages as described below except as otherwise indicated in the Declarations.

Farmers Smart Plan Home[®] Policy - California (continued)

Coverage E (Personal Liability)

We will pay those damages that an **insured** becomes legally obligated to pay because of:

1. **bodily injury** resulting from an **occurrence**; or
2. **property damage** resulting from an **occurrence**.

At our expense and with attorneys of our choice, we will defend an **insured** against any suit seeking damages covered by Coverage E (Personal Liability). Our obligation to defend a suit seeking damages, which is a court proceeding initiated by the filing of a complaint seeking damages, ends once we have paid our applicable **stated limit**. We may investigate and settle any claim or suit seeking damages that we consider appropriate.

We do not have any duty to defend or settle any suit involving actual, alleged, threatened, or declared **bodily injury** or **property damage** not covered in this liability insurance. This applies whether or not the suit is groundless, false, or fraudulent.

Coverage F (Medical Payments to Others)

We will pay reasonable medical expenses for necessary medical services furnished to a person to whom this coverage applies for treatment of **bodily injury**. This will apply for services within three years from the date of the **occurrence** causing **bodily injury**.

Necessary medical services are limited to necessary medical, surgical, dental, x-ray, ambulance, hospital, professional nursing, and funeral services. These include the costs of pharmaceuticals, orthopedic, and prosthetic devices, eyeglasses, and hearing aids.

Necessary medical services do not include:

1. treatment, services, products, or procedures that are:
 - a. experimental in nature, for research, or not primarily designed to serve a medical purpose; or
 - b. not commonly and customarily recognized throughout the medical profession and within the United States as appropriate for the treatment of the **bodily injury**;
2. the use of thermography or other related procedures of a similar nature; or
3. purchase, rental cost, or use of:
 - a. hot tubs, spas, water beds;
 - b. exercise equipment;
 - c. heating or vibrating devices;
 - d. furniture or equipment not primarily designed to serve a medical purpose;
 - e. memberships in health clubs; or
 - f. medical reports, unless requested by us.

A reasonable medical expense means the usual and customary expense for the necessary medical services.

This coverage applies to:

1. persons on an **insured location** with permission of an **insured**; or
2. persons off an **insured location** if the **bodily injury** is:
 - a. the result of a condition on the **insured location** or the ways immediately adjoining;
 - b. caused by the activities of an **insured**;
 - c. caused by a **residence employee** in the course of employment by an **insured**; or
 - d. caused by an animal or creature owned by, or in the care of, an **insured**.

This coverage does not apply to:

1. persons injured as a result of their intentional acts;
2. any **insured** or any person regularly residing on an **insured location**, except a **residence employee** who is in the course and scope of employment by an **insured**; or
3. any person eligible to receive benefits provided or mandated by any workers' compensation, occupational disease, or non-occupational disability law.

Payment for this coverage is not an admission of liability by any **insured** or us.

Section II - Liability Extensions of Coverage

We will insure you for the Extensions of Coverage as described below, subject to the Declarations.

1. Claim Expenses.

We pay:

- a. all costs we incur in our settlement of a claim or defense of a suit with attorneys of our choice;
- b. premiums on bonds required in a suit we defend, but not for a bond amount greater than the Coverage E **stated limit**. However, we are not obligated to apply for or furnish a bond;
- c. reasonable expenses incurred by an **insured** at our specific request to help us investigate or defend a suit. When we ask an **insured** to attend hearings or trials we will pay actual loss of earnings (but not other income) up to \$250 per day; and
- d. interest after entry of judgment. This will only apply to that portion of damages covered by this policy subject to the applicable Coverage E or F **stated limits**. We will only be responsible for interest that accrues on the amount

Farmers Smart Plan Home[®] Policy - California (continued)

of such damages until we pay, have given written offer to pay or have deposited such amount with a court.

2. First Aid Expenses.

We will reimburse reasonable and necessary first aid expenses for **bodily injury** to others incurred by an **insured** at the time of an **occurrence** to which this liability coverage applies. We do not pay for first aid to you or any other **insured**.

3. Damage to Property of Others.

At your request, we pay replacement cost up to \$1,000 per **occurrence** for **property damage** to property of others caused by an **insured**. We will not pay for **property damage**:

- to property covered under Section I - Property Coverage;
- intentionally caused by an **insured** who is 13 years of age or older;
- to property owned by or leased or rented to an **insured**, a tenant of an **insured**, any resident of an **insured's** household or anyone who cohabitates with an **insured**;
- to **business property**;
- arising out of any **business** engaged in by an **insured**;
- arising out of premises owned, rented, or controlled by an **insured**, other than an **insured location**; or
- arising out of the ownership, maintenance, operation, use, moving, occupancy, loading or unloading or entry or exit of **aircraft**, **watercraft**, or **motor vehicles** or any other motorized land conveyance or trailers.

4. HOA Loss Payment Coverage.

If the Declarations show a HOA Loss Payment Coverage amount and the **residence premises** is subject to, and governed by, a homeowners or property owners association of which you are a member, then subject to the rules of the association we will pay up to the HOA Loss Payment Coverage **stated limit** for your share of any assessment levied against you and other owners of units by the association, during the **policy period**, but only as follows if the assessment is:

- for accidental, direct, distinct, and demonstrable, physical loss or damage to tangible property owned in common by all the association members. The loss or damage must be the type of loss or damage that manifests during this **policy period** or the twelve months immediately following the end of this **policy period** and be loss or damage we would cover in Section I - Property Coverage as it would apply to your **dwelling** or other property you own; or

- for **bodily injury**, **property damage**, or **personal injury** if **personal injury** coverage is provided herein, for which the association becomes liable, then the **bodily injury**, **property damage**, or **personal injury** must result from an **occurrence** to which Section II of this policy would apply to an **insured**. However, we will not pay for an assessment for **property damage** in this part b. if we would not cover the loss or damage in Section I - Property Coverage if the loss or damage had occurred to property covered in Section I - Property Coverage.

The HOA Loss Payment Coverage **stated limit** in force on the later of:

- the effective date of the **policy period** stated in the Declarations; or
- the date of the loss or damage or the **occurrence** leading to the assessment;

is the most we will pay with respect to any one loss event, regardless of the number of assessments that may be levied by the association for loss or damage or liability arising from that event. This coverage is excess over any collectible insurance covering the association for the loss or damage or liability, whether or not the association files a claim for the loss or damage or liability with its insurer. You must make a claim for this coverage with us within 365 days of notice to you of the assessment. Claims made after that time are void. Our sole responsibility in this coverage is to pay for a covered assessment.

5. Personal Injury.

If the Declarations show **personal injury** coverage applies, we will pay those damages that an **insured** becomes legally obligated to pay because of **personal injury** resulting from an **occurrence** to which this coverage applies.

At our expense and with attorneys of our choice, we will defend an **insured** against any suit seeking damages covered as **personal injury**. Our obligation to defend a suit seeking these damages ends once we have paid the applicable limit of insurance. We may investigate and settle any claim or suit seeking damages as we deem appropriate.

We do not have any duty to defend or settle any suit involving actual, alleged, threatened, or declared **personal injury** not covered in this liability insurance. This applies whether or not the suit is groundless, false, or fraudulent.

6. Workers' Compensation Coverage of Residence Employees.

We will pay all benefits that an **insured** is required to provide in the Workers' Compensation Law of California for

Farmers Smart Plan Home[®] Policy - California (continued)

residence employees because of **bodily injury** by accident or by disease.

This coverage only applies to a **residence employee**:

- a. who during the 90 calendar days immediately preceding the date of **bodily injury** by accident or by disease:
 - (1) has been employed by an **insured** for at least 52 hours; and
 - (2) has earned at least one hundred dollars (\$100) in wages from the **insured**; and
- b. who suffers a **bodily injury** by accident or by disease which:
 - (1) occurs during the **policy period**; and
 - (2) arises out of and in the course of employment as a **residence employee**.

The **insured** is responsible for any payment(s) in excess of the benefits regularly provided by the Workers' Compensation Law.

We do not cover liability of an **insured** for additional compensation imposed in Sections 4553 and 4557, Division IV, Labor Code of the State of California, by reason of:

- c. the serious and willful misconduct of the **insured** or any representative of the **insured**; or
- d. injury to a **residence employee** under 16 years of age and illegally employed at the time of injury.

Section II - Liability Exclusions

Coverage E (Personal Liability), Coverage F (Medical Payments to Others), and **personal injury** coverage, if covered by this policy, are subject to the following exclusions:

1. Any Insured or Other Residents of any Insured's Household.

We do not cover **bodily injury** or **personal injury** to:

- a. any **insured**; or
- b. any resident of any **insured's** household.

However, we do cover **bodily injury** to a **residence employee** unless the **bodily injury** is the result of the conduct of an **insured** or representative of an **insured** that would be serious and willful misconduct per the workers' compensation laws.

2. Business.

We do not cover **bodily injury**, **property damage**, or **personal injury** that arises from, during the course of, or in connection with any past or present **business** engaged in by any **insured** or conducted from any **insured location**. This includes, but is not limited to, any warranty, any act, or any

duty rendered, promised, owed, or implied to be provided because of the nature of the **business**. This exclusion does not include the rental or holding for rental of that part of the **residence premises** not occupied by any **insured**, unless it is a **home share business**.

3. Business or Professional Services.

We do not cover **bodily injury**, **property damage**, or **personal injury** that arises from, during the course of, or in connection with, the rendering or failure to render **business** or professional services. This exclusion does not include the rental or holding for rental of that part of the **residence premises** not occupied by any **insured**, unless it is a **home share business**.

4. Contract or Agreement - Performance.

We do not cover **bodily injury**, **property damage**, or **personal injury** that arises from, during the course of, or in connection with, the performance, the quality of performance, or failure to perform per a contract or agreement, whether **business** or non-**business**.

5. Contract or Agreement - Liability Assumed or Imposed.

We do not cover **bodily injury**, **property damage**, or **personal injury** that arises from, during the course of, or in connection with, liability assumed by, or imposed upon, any **insured** per any contract or agreement, whether **business** or non-**business** and whether that of a third party. This includes, but is not limited to, breaches of duty or express or implied warranties.

6. Agreement With Homeowners Association.

We do not cover **bodily injury**, **property damage**, or **personal injury** that arises from, during the course of, or in connection with, any agreement between any **insured** and a corporation or association of homeowners or property owners, except as may be provided in Section II - Liability Extensions of Coverage, HOA Loss Payment Coverage.

7. Rental Property.

We do not cover **bodily injury**, **property damage**, or **personal injury** that arises from, during the course of, or in connection with, the rental or holding for rental of any property or any part of any premises by any **insured** to any party. This exclusion does not apply to the rental or holding for rental of that part of an **insured location** that is rented or available for rent:

- a. on that part of the **residence premises** not occupied by any **insured**;
- b. on an occasional basis for sole use as a residence;

- c. to no more than two tenants, roommates, roomers, live-ins, or boarders at the same time for sole use as a residence; or
- d. as an office, studio, or private garage.

This exception does not apply to a **home share business**.

8. Sale or Transfer of Property.

We do not cover **bodily injury, property damage, or personal injury** that results from, arises from, or in connection with, property you or any **insured** has sold or transferred. This includes, but is not limited to:

- a. known, unknown, or hidden property conditions, problems, or defects, including, but not limited to, manufacturing, structural, or plumbing, heating, air conditioning, or electrical system conditions, problems or defects;
- b. known, unknown or hidden soil or drainage conditions, problems, or defects;
- c. concealment or misrepresentation of, or the failure to disclose, any known condition, problem, or defect in or of the property; or
- d. **contamination**.

9. Owned Property.

We do not cover **property damage** to property owned by an **insured** or any other resident of any **insured's** household. This includes expenses and costs incurred by any **insured** or others to repair, replace, restore, or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an **insured location**. This exclusion applies even where there has already been some injury or damage.

10. Non-owned Property - Used or in the Care, Custody, or Control.

We do not cover **property damage** to non-owned property occupied by or used by, or in the care, custody, or control of any **insured** or any other resident of the **insured's** household, whether by any agreement or otherwise, except as provided in Section II - Liability Extensions of Coverage, Damage to Property of Others. We do cover an **insured's** liability for **property damage** to such non-owned property if caused by, or resulting from, fire or lightning.

11. Other Locations.

We do not cover **bodily injury or personal injury** that arises from, or in connection with, a location other than an **insured location**, that is:

- a. owned by any **insured**;

- b. rented to any **insured**; or
- c. rented to others by any **insured**.

This exclusion does not apply to **bodily injury** to a **residence employee** arising out of, and in the course and scope of, the **residence employee's** employment by any **insured**.

12. Intentional Acts.

We do not cover **bodily injury, property damage, or personal injury** that is caused by, arises from, or is the result of an intentional act by, or at the direction of, any **insured**. This includes, but is not limited to, any intentional act or intentional failure to act by any **insured**, whether a criminal act or otherwise, where resulting injury or damage would be an objectively probable consequence, even if not subjectively intended or expected by any **insured**. This exclusion applies whether or not:

- a. any **insured** mistakenly believes he or she has the right to engage in certain conduct;
- b. the injury or damage is sustained by persons or property not intended or expected by any **insured**;
- c. the injury or damage is different, greater, or of a different quality than that intended or expected;
- d. any **insured** did not understand that injury or damage may result;
- e. any **insured** knew the intentional act or failure to act was a violation of any penal law, whether or not any **insured** is actually charged with, or convicted of, a crime;
- f. any **insured** was under the influence of any alcohol or narcotic;
- g. any **insured** was insane; or
- h. any **insured** is deemed not to have had the mental capacity to form the legal intent to commit the act or omission causing injury or damage.

For purposes of this exclusion, a plea of guilty, no contest, or true in a criminal proceeding, that involves the same acts or activities that are the basis of a claim for damages against any **insured**, shall conclusively bar any **bodily injury, property damage, or personal injury** that arises, results from, or is caused by such acts or activities.

13. Home Care Services.

- a. We do not cover **bodily injury, property damage, or personal injury** that arises from, during the course of, or in connection with home care services, including, but not limited to, child care, day care, or foster care services, whether or not licensed, or otherwise approved, by a governmental agency or body, provided to any person on a regular basis by or at the direction of:

- (1) any **insured**;
- (2) any employee of any **insured**; or
- (3) any other person actually or apparently acting on behalf of any **insured**.

Regular basis means more than a cumulative 20 hours per week provided to any one person or group of persons whether that person is the injured party or not.

b. This exclusion does not apply to:

- (1) home care services provided to any **insured's** relative, who is not a resident of your household;
- (2) occasional or part time home care services provided by any **insured** under 21 years of age;
- (3) the providing of home care services or babysitting services for which compensation is not received, other than the mutual exchange of such services; or
- (4) the providing of child care, day care, or foster care services for not more than a cumulative 20 hours per week by or at the direction of:
 - i. any **insured**;
 - ii. any employee of any **insured**; or
 - iii. any other person actually or apparently acting on behalf of any **insured**.

When this exclusion does not apply as set forth in subsection b., the Section II - Liability Exclusions for Business and Business or Professional Services also do not apply to those activities.

14. **Transmitting a Communicable Sickness or Disease.**

We do not cover **bodily injury, property damage, or personal injury** that is caused by, or arises from, any **insured** transmitting a communicable sickness or disease, including, but not limited to, sexually transmitted sickness or disease. This exclusion applies whether or not the act of transmitting the sickness or disease was consensual or voluntary. This also applies whether or not any **insured** knew he or she was infected with or bore the sickness or disease or that it could be transmitted to another person.

15. **Aircraft, Motor Vehicles, or Watercraft.**

We do not cover **bodily injury, property damage, or personal injury** that arises from, during the course of, or in connection with, the ownership, maintenance, operation, use, occupancy, loading or unloading, moving or movement, or entry or exit by any **insured** of any:

- a. **aircraft**;
- b. **motor vehicle**; however, this exclusion does not apply to any watercraft trailer, camper trailer, home trailer, or utility

trailer not being towed by or carried on a **motor vehicle**; or

c. watercraft which:

- (1) has more than a 50 horsepower inboard or outdrive motor power;
- (2) is powered by one or more outboard motors with more than 25 total horsepower;
- (3) is a sailing vessel, with or without auxiliary power, 26 feet or more in length;
- (4) uses a powered **water** jet pump as the primary source of propulsion; or
- (5) uses an air cushion to hover over **water** surfaces.

This subsection c. does not apply to any watercraft while stored on the **residence premises**.

This exclusion does not apply to **bodily injury** to a **residence employee** in the course and scope of employment by an **insured** as a **residence employee**.

16. **Entrustment and Negligent Supervision - Aircraft, Motor Vehicles, or Watercraft.**

We do not cover **bodily injury, property damage, or personal injury** that arises from, during the course of, or in connection with:

- a. the entrustment of any **aircraft, motor vehicle, or watercraft** by any **insured** to any person; or
- b. the negligent supervision of any person by any **insured** regarding the maintenance, operation, use, occupancy, loading or unloading, moving or movement, or entry or exit of any **aircraft, motor vehicle, or watercraft**.

Respecting **motor vehicles** and watercraft, this exclusion only applies to the same types of **motor vehicles** and watercraft excluded in Section II - Liability Exclusions, Aircraft, Motor Vehicles, or Watercraft.

This exclusion does not apply to **bodily injury** to a **residence employee** in the course and scope of employment by an **insured** as a **residence employee**.

17. **Vandalism or Malicious Mischief.**

We do not cover **bodily injury, property damage, or personal injury** that is caused directly or indirectly by, or that arises from, during the course of, or in connection with, any **vandalism or malicious mischief**. This exclusion applies even if the loss or damage is sustained by persons or property not intended or expected.

18. **Destructive Acts.**

We do not cover **bodily injury, property damage, or personal injury** that is caused directly or indirectly by, or that

arises from, during the course of, or in connection with, any destructive act. This includes acts directed against civilians, or military or governmental personnel or property by any domestic or foreign person(s), organization(s), association, entity or entities, government, or any quasi-governmental body. This exclusion includes, but is not limited to, war, undeclared war, civil war, terrorism, insurrection, rebellion, and revolution, all whether or not by military or paramilitary personnel, and includes any direct or indirect consequence of these, including **contamination**. This exclusion applies even if the loss or damage is sustained by persons or property not intended or expected.

19. Fungus, Noxious Substance, Nuclear Substance, Pathogen, or Pollutant.

We do not cover **bodily injury, property damage, or personal injury** that is caused by, results from, or in connection with, or that arises from, any **fungus, noxious substance, nuclear substance, pathogen, or pollutant**, all whether combined with, caused by, or resulting from **water**.

This includes, but is not limited to:

- a. the actual, alleged, or threatened discharge, dispersal, seepage, release, migration, trespass, or escape of any **fungus, noxious substance, nuclear substance, pathogen, or pollutant**:
 - (1) from any premises, site, or location; or
 - (2) during transportation, handling, storage, treatment, disposal, or processing;
- b. **contamination or remediation**;
- c. any supervision, instruction, disclosure, failure to disclose, recommendation, warning;
- d. advice given or that allegedly should have been given, in connection with any **fungus, noxious substance, nuclear substance, pathogen, or pollutant**, or **remediation** activities;
- e. any claim of nuisance concerning or related to any **fungus, noxious substance, nuclear substance, pathogen, or pollutant**;
- f. all costs, expenses, or damages arising out of any order, claim, suit, or threat of liability by, or on behalf of, a governmental authority or any other person or entity for injury, damages, or injunctive relief because of, or arising out of, **contamination** or for **remediation**;
- g. anguish, distress, or fear of any person of **bodily injury or property damage** that may be caused by, arise out of, or result from alleged, actual, or threatened infection with, exposure to, absorption of, or **contamination** by or with any **fungus, noxious substance, nuclear substance, pathogen, or pollutant**;
- h. actual, alleged, constructive, or threatened diminution or loss of value of any property from the actual or alleged presence of any **fungus, noxious substance, nuclear substance, pathogen, or pollutant**, including, but not limited to, loss of equity, loss of rents, loss of use, or feared or actual economic loss; or
- i. sums an **insured** is required to expend in equity for or relief from **bodily injury, property damage, or personal injury**.

This applies whether a **noxious substance, nuclear substance, pathogen, or pollutant**:

- a. was used legally, normally, or intentionally for the purpose for which it was intended;
- b. has any function with respect to your property;
- c. was a localized event; or
- d. was confined within the general area of its intended use.

20. Illegal or Controlled Substance.

We do not cover **bodily injury, property damage, or personal injury** that arises from, during the course of, or in connection with, the use, sale, growth, manufacture, cultivation, distribution, delivery, processing, transfer, or possession of marijuana, or any substance that is illegal or is a controlled substance as defined by either federal or state law, by any **insured**. Such illegal substances include, but are not limited to, explosives, cocaine, LSD, methamphetamines, and all narcotic drugs.

This exclusion does not apply to the legal use, per both state and/or federal law, of legally prescribed drugs by a person following orders of a licensed physician.

21. Punitive or Exemplary Damages, Fines, or Penalties.

We do not cover punitive or exemplary damages or any amount in the nature of a civil fine or penalty assessed or imposed by any code, statute, or regulation, or by any court, or any award or assessment of attorney fees. We also do not cover the cost of defense, including attorney fees, related to any such damages, fines, or penalties.

22. Workers' Compensation.

Except as provided in Section II - Liability Extensions of Coverage, Workers' Compensation Coverage of Residence Employees, and as provided in Section II - Liability Exclusions, Any Insured or Other Residents of any Insured's Household, we do not cover **bodily injury** to any person eligible to receive benefits required to be provided, or that may voluntarily be provided, by an **insured** per any workers'

Farmers Smart Plan Home[®] Policy - California (continued)

compensation, occupational disease, or non-occupational disability law.

23. Nuclear Energy Liability Insurance.

We do not cover **bodily injury** or **property damage** when any **insured** is covered by any nuclear energy liability policy. This exclusion applies even if the limits of that policy have been exhausted.

24. Obligation to Reimburse, Share, or Indemnify Damages.

We do not cover any claim to reimburse, share with, or indemnify any person or entity for damages, costs, or expenses incurred by that person or entity that arises out of, or results from, any type of event or activity specified in these liability insurance provisions.

25. Statutory Liability.

We do not cover any liability statutorily imposed on any **insured** that arises out of, is connected with, or results from any type of event or activity specified in these liability insurance provisions.

26. Violation of Ordinance, Penal Law, or Criminal Acts.

We do not cover **personal injury** arising from, during the course of, or in connection with, a violation of any ordinance, order, or penal law committed by, or with the knowledge or consent of, any **insured**, or any criminal act by any **insured**.

For purposes of application of this exclusion, a plea of guilty, no contest, or true in a criminal proceeding, that involves the same acts or activities that are the basis of a claim for damages against the **insured**, shall conclusively bar any **personal injury** arising or resulting from or caused by such acts or activities.

27. Employment - Personal Injury.

We do not cover **personal injury** arising from, during the course of, or in connection with, any offense directly or indirectly related to the employment of any person by any **insured**. This applies whether the offensive activity is an employment related practice, policy, act, or omission, and whether the substance or context of the offense is employment-related.

28. Civic or Public Activities.

We do not cover **bodily injury**, **property damage**, or **personal injury** that arises from, during the course of, or in connection with, civic or public activities performed for pay, not including expense reimbursement, by any **insured**.

29. Molestation, Abuse, or Corporal Punishment.

a. We do not cover **bodily injury**, **property damage**, or **personal injury** that arises from, during the course of, or in connection with, any actual, alleged, or threatened

molestation, abuse, or corporal punishment of any person by anyone, including, but not limited to:

- (1) any **insured**;
- (2) any employee of any **insured**;
- (3) any volunteer, person for hire, or any other person who is acting, or who appears to be acting, on behalf of any **insured**; or
- (4) any **insured** or employee of any **insured** where there are allegations of negligent supervision, negligent hiring, training, or negligent entrustment, or any allegation that any **insured** or employee of any **insured** failed, or allegedly failed, to train, supervise, detect, report, or otherwise prevent any person from allegedly molesting, abusing, or punishing, or continuing to allegedly molest, abuse, or punish any person.

We have no duty to defend or settle any molestation, abuse, or corporal punishment claim, or any claim of negligent supervision, negligent hiring, failure to report, failure to prevent, or negligent entrustment suit against any **insured** or any other person.

b. This exclusion applies even if:

- (1) any **insured** or any other person mistakenly believes he or she has the right to engage in certain conduct;
- (2) the injury is sustained by persons not intended or expected by any **insured**;
- (3) the injury is different, greater, or of a different quality than that intended or expected;
- (4) any **insured** or any other person did not understand that injury may result; or
- (5) any **insured** or any other person knew the acts or failure to act was a violation of any penal law, whether or not any **insured** or any other person is actually charged with or convicted of a crime.

c. For purposes of this exclusion, a plea of guilty, no contest, or true in a criminal proceeding, that involves the same acts or activities that are the basis of a claim for damages against any **insured** or any other person, shall conclusively bar any **bodily injury**, **property damage**, or **personal injury** that arises or results from, or is caused by, such acts or activities.

30. Home Share Business.

We do not cover **bodily injury**, **property damage**, Medical Payments to Others or **personal injury** that is caused by, arises from, during the course of, or in connection with, a **home share business**.

31. Aggression.

This includes any aggressive activity, harassment, or bullying committed by any **insured** by any means.

Section II - Liability Conditions

1. Limits of Insurance.

- The **stated limit** for Coverage E (Personal Liability) is both the per **occurrence** and the **annual aggregate limit**. All claims that result from or arise out of any one person's **bodily injury**, including death, shall collectively be considered one **occurrence** and will be subject to the per **occurrence** limit.
- The **stated limit** for Coverage F (Medical Payments to Others) is the most we will pay in Coverage F for all necessary medical services for **bodily injury** to any one person for any one **occurrence**. Payments for Coverage F are part of, and subject to, the **annual aggregate limit**.
- If **personal injury** coverage is purchased separately by you, then payments for **personal injury** damage are part of, and subject to, the **annual aggregate limit**.

2. Separate Insurance.

This liability coverage applies separately to each **insured**. This condition will not increase our **annual aggregate limit** or our per **occurrence** limit of insurance. However, exclusions in this liability coverage as applied to any one **insured** may limit or exclude coverage as to all **insureds**.

3. Duties After Loss.

In case of an **occurrence**, an **insured** will perform the following duties:

- give written notice to us or our agent as soon as possible stating:
 - the policy number, your name, and the name of the **insured** against whom the claim is made;
 - the time, place, and circumstances of the **occurrence** or claimed **personal injury**; and
 - names and addresses of claimants and witnesses;
- immediately send us any notice, demand, or legal papers received relating to a claim or suit;
- cooperate with us, and assist us, in any matter relating to a claim or suit;
- provide all information we request to investigate the claim or suit;
- for Damage to Property of Others, send us a sworn statement of loss within 90 days of the loss. Also show us and give us access to any damaged property that is within the **insured's** control;

- an **insured** will not, except at the **insured's** own cost, voluntarily make any payment, assume any obligation, or incur any expense except First Aid Expenses;
- submit to examinations under oath, separately, and apart from, any other person defined as you or **insured** and sign a transcript of the examination;
- produce representatives, employees, members of the **insured's** household, or others for interviews or examinations under oath to the extent it is within the **insured's** power to do so;
- cooperate and assist us and not do anything to inhibit or release any right of contribution, recovery, or indemnity against any person or organization who may be liable to an **insured** for activities related to a claim or suit; and
- as reasonably requested, attend hearings and trials concerning the suit.

4. Duties of an Injured Person - Coverage F (Medical Payments to Others).

The injured person or someone acting on behalf of the injured person will:

- give us written proof of claim as soon as possible, under oath if required; and
- authorize us to obtain medical reports and records.

The injured person will submit to a physical exam by a doctor we choose when, and as often as, we reasonably require.

5. Suit Against Us.

No action can be brought against us unless there has been full compliance with the terms and conditions of this policy. No one has any right to make us a party to a suit to determine the liability of a person we insure or to make us a party to any action against an **insured**. We may not be sued under Coverage E (Personal Liability) until the obligation of an **insured** has been determined by final judgment after actual trial or by agreement signed by us. In Coverage F (Medical Payments to Others), no action can be brought until 30 days after the required proofs of claim have been filed with us.

6. Bankruptcy of an Insured.

Bankruptcy or insolvency of an **insured** or of an **insured's** estate will not relieve us of our duties in this policy.

7. Other Insurance - Coverage E (Personal Liability).

This insurance is excess over any other valid and collectible insurance. If any applicable insurance other than this policy is issued to you by us or any other insurer comprising Farmers Insurance Group[®], the total amount payable among all such policies shall not exceed the **stated limit** or other limit of

Farmers Smart Plan Home® Policy - California (continued)

insurance of the single policy providing the highest limit of insurance.

Other Insurance - Section II - Liability Extensions of Coverage, Workers' Compensation Coverage of Residence Employees.

This insurance does not apply to any loss with respect to which other valid and collectible Workers' Compensation insurance applies.

8. Workers' Compensation.

- a. We will be directly and primarily liable to any **residence employee** of an **insured** entitled to the benefits of the Workers' Compensation Law in this policy.
- b. When a **residence employee** sustains **bodily injury** and notifies you, this shall be deemed notice of knowledge on our part. You must notify us immediately when you are notified of **bodily injury** to a **residence employee**.
- c. The jurisdiction of an **insured** will, for the purpose of the law imposing liability for compensation, be our jurisdiction.
- d. We will be bound by and subject to the orders, findings, decisions, or awards rendered against an **insured** in the provisions of the law imposing liability for compensation, subject to the provisions, conditions, and limitations of the policy. This policy shall govern as between an **insured** and us as to payments by either in discharge of an **insured's** liability for compensation.

Section III - Additional Optional Coverages You May Purchase

A. The following additional optional coverages may supplement or modify coverages found in Section I and Section II and apply only when they are shown in the Declarations.

1. Personal Property Actual Cash Value Loss Settlement.

If the Declarations show that covered personal property is settled based on **actual cash value**, then covered loss or damage to personal property will be settled for no more than the lesser of the following:

- a. **actual cash value**;
- b. any **stated limit** or other limit of insurance in this policy that applies to the property;
- c. the reasonable and necessary amount actually spent to replace lost or stolen property or to repair or replace damage to the damaged part of the property; or
- d. the loss to the interest of the **insured** in the property.

The Coverage C **stated limit** is the most we will pay regardless of the number of items of personal property that are involved in a loss event.

2. Zero Deductible Glass.

If shown in the Declarations, and for an added premium, we will pay for covered accidental direct physical loss or damage to glass attached to your **dwelling** or **separate structures** without applying the policy's deductible.

3. Coverage for Marring to Certain Metal Materials.

If shown in the Declarations, and for an added premium, in Section I - Uninsured Types of Loss or Damage, Exceptions to Uninsured Types of Loss or Damage, subsection a.(2) is deleted and replaced with:

(2) wind or hail;

4. Landscaping Wind and Hail.

If shown in the Declarations, and for an added premium, in Section I - Extensions of Coverage, 5. Trees, Shrubs, Plants, and Lawns the following peril is added:

h. wind or hail.

5. Increased Limits for HOA Loss Payment.

If shown in the Declarations, and for an added premium, the limit for Section II - Liability Extensions of Coverage, HOA Loss Payment Coverage is increased to the amount shown in the Declarations.

B. If shown in the Declarations, the coverage for the following additional optional coverages in Section I - Types of Property Insured, Special Limits on Certain Personal Property, may increase or decrease, for a corresponding change in premium.

1. **Property Usually Located at an Insured's Residence Other than the Residence Premises.**
2. **Business Property.**
3. **Money, Currency, Gift Certificates and Cards, Scrip, and Metals.**
4. **Securities, Deeds, Valuable Papers, Personal Records, and Stamps.**
5. **Cards and Comic Books.**
6. **Watercraft and Windsurfers.**
7. **Trailers.**
8. **Portable Electronic Equipment - Off Premises.**

C. If shown in the Declarations, the theft limit for the following additional optional coverages in Section I - Types of Property Insured, Special Limits on Certain Personal Property, may increase or decrease, for a corresponding change in premium.

1. **Jewelry, Watches, Precious and Semi-Precious Stones, and Furs.**
2. **Silverware, Gold Ware, Platinum Ware, and Pewter Ware.**
3. **Firearms.**

The provisions of this policy apply to each Optional Coverage in this section unless modified by the terms and conditions of the Specific Optional Coverage. Other optional coverages by endorsement may be available for purchase.

General Conditions - Applying to the Entire Policy

1. Entire Contract - Waiver or Change of Policy Provisions.

This policy, which includes the Declarations and any endorsements, contains all the agreements between you and us and any of our agents relating to this insurance and the coverages herein. The terms, conditions, and exclusions of this policy may not be changed or waived by any oral agreement and may only be changed or waived by endorsement or amended Declarations issued by us.

We may change this policy or replace it to conform to the policy form and coverage we then currently use. The change or new policy will be delivered to you or mailed to you at renewal pursuant to the Policy Notices condition in accordance with state law before its effective date.

Our request for an appraisal or examination under oath will not waive any of our rights.

2. Policy Period.

This policy applies only to covered loss or damage in Section I and Section III, if applicable, and to **bodily injury, property damage, or personal injury** that occurs during the **policy period**.

3. Joint Obligations.

Subject to Section I - Property Conditions, Intentional Acts, Criminal Acts, and Fraud, the terms of this policy are joint obligations of all persons defined as an **insured**. This means that the responsibilities, acts, and failures to act of any **insured** will be binding upon any other **insured**. To the extent an **insured**, other than you, is a direct beneficiary of coverage by this policy, that **insured** is also responsible for complying with the duties and responsibilities set forth in this policy.

4. Misrepresentation, Concealment, or Fraud.

- a. We reserve the right to deny coverage for any loss or damage, or claim for injury or damage, or, as permitted by law, to void this policy, including but not limited to,

from its inception, if you or any **insured** has, at any time either before or after a claim or loss:

- (1) negligently or fraudulently concealed, omitted, or misrepresented any material fact or circumstance:
 - i. in the application for, change to, or renewal of this insurance; or
 - ii. in the presentation of a claim or loss; or
 - iii. during our investigation of a claim or loss.
 - (2) engaged in fraudulent conduct with respect to a claim or loss.
- b. If we make any payments pursuant to this policy and we later apply this condition, you must indemnify us for all payments made.
 - c. We do not provide coverage for any loss or damage or claim for injury or damage if you or any **insured**, in connection with, or related to, any insurance provided in this policy:
 - (1) intentionally caused or arranged for the loss or damage or claim;
 - (2) caused the loss or damage while engaged in committing or concealing a felony; or
 - (3) had knowledge of the loss or damage or claim prior to the inception of this insurance.

5. Trustee Interest.

If legal deed to the **residence premises** described in the Declarations is held by a Trust, the following provisions apply in addition to the provisions contained in the Insuring Agreement:

- a. Section I - Property Coverage
 - (1) with respect to Coverage A (**Dwelling**), Coverage B (**Separate Structures**), and Coverage C (Personal Property), you and your mean the Trust and beneficiaries of the Trust who reside at the **residence premises**;
 - (2) with respect to Coverage D (Loss of Use), 1. Additional Living Expenses, you and your mean a resident of the **residence premises** who is a Trustee and a beneficiary of the Trust;
 - (3) with respect to Section I-Extensions of Coverage, you and your mean the Trust and beneficiaries of the Trust who reside at the **residence premises**, as their interests may appear; and
 - (4) with respect to Section I -Uninsured Types of Loss or Damage and Excluded Causes of Loss or Damage, all uninsured loss or damage and excluded causes of loss or damage apply to the interests of and losses

sustained by any of the Trust, the Trustees, and the beneficiaries of the Trust.

b. Section II - Liability

- (1) with respect to Coverage E (Personal Liability) and Coverage F (Medical Payments to Others), you and your mean the Trust, the beneficiaries of the Trust who reside at the **residence premises**, and the Trustees who reside at the **residence premises** or are acting in the course and scope of their duties as Trustees;
- (2) with respect to Liability Extensions of Coverage, you and your mean the Trust and the beneficiaries of the Trust who reside at the **residence premises**, as their interests may appear; and
- (3) with respect to Section II-Liability Exclusions, all exclusions apply to the claims made or suits brought against any of the Trust, the Trustees, and the beneficiaries of the Trust.

6. **Liberalization Clause.**

If we make a change that broadens coverage in this edition of our policy without additional premium charge, that change will automatically apply to your policy as of the date we implement the change in your state, provided that this implementation date falls within 60 days prior to or during the **policy period**.

This clause does not apply to changes implemented with a general program revision that includes both broadening and restrictions in coverage, whether that general program revision is implemented through introduction of:

- a. a subsequent edition of this policy; or
- b. an amendatory endorsement.

7. **Initial Premium Payment.**

Any initial policy payment remitted, including, but not limited to, those submitted by check, draft, money order, electronic fund transfer (EFT), or debit or credit card, is a conditional payment and is only accepted subject to collection. It is agreed that if the premium remittance is not honored, we may, at our option, rescind (void) coverage from inception.

8. **Cancellation.**

- a. The named insured may cancel this policy at any time by returning it to us or by letting us know of the future date cancellation is to take effect.
- b. We may cancel this policy by mailing or delivering written notice to you pursuant to the Policy Notices condition. The mailing or delivering of it will be sufficient proof of notice.

(1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.

(2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel the policy for any reason, by letting you know at least 20 days before the date cancellation takes effect, unless the cancellation reason is fraud, in which case we will notify you at least 10 days before the date cancellation takes effect.

(3) When this policy has been in effect for 60 days or more, or any time if it is a renewal with us, we may cancel for non-payment of premium in accordance with subsection b.(1) above. We may also cancel for one or more of the following reasons, in which case we will notify you at least 30 days before the date cancellation takes effect, unless the reason for cancellation is fraud as referenced below in ii., in which case we will notify you in writing at least 10 days before the date cancellation takes effect:

- i. you have been convicted of a crime having as one of its necessary elements an act increasing any hazard insured against;
- ii. discovery of fraud or material misrepresentation by either of the following:
 - (a) an **insured** or his or her representative in obtaining this policy; or
 - (b) you or your representative in pursuing a claim under this policy;
- iii. discovery of grossly negligent acts or omissions by an **insured** or his or her representative which substantially increase any of the hazards insured against;
- iv. physical changes in the insured property which result in its becoming uninsurable; or
- v. any other reason allowed by law.

c. If there is any refund of premium due, we will tender it within 25 days after the date cancellation takes place. The return premium will be calculated pro rata. Pro rata calculation means that we will keep premium only for the period of time you were insured.

9. **Renewal and Refusal to Renew.**

We may elect to nonrenew by delivering or mailing, pursuant to the Policy Notices condition, written notice to you at least 75 days before the expiration date of this policy. The mailing or delivering of it will be sufficient proof of notice.

This provision to nonrenew does not apply if:

- a. we indicate our willingness to renew and you fail to pay the premium by the due date; or
- b. the named insured indicates to us or our agent that you do not wish the policy to be renewed.

If we elect to renew this policy, we may condition its renewal on an increase or reduction of **stated limits** or other limits of insurance or an increase or reduction or elimination of coverages or deductibles. If we offer to renew this policy, including conditioning renewal as indicated, we will deliver or mail a written offer in accordance with state law. Such mailing or delivering will be sufficient proof of notice. This policy will automatically terminate at the end of the **policy period** if you do not accept our offer to renew it. Failure to pay the required renewal premium means that you have declined our offer. It is agreed that if the premium remittance is not honored, you have failed to pay the premium and have declined our offer.

If this policy is written for a period of less than one year we agree not to refuse to renew except at the end of an annual period beginning with the original or renewal effective date.

10. Inflation at Renewal.

We may increase the **stated limits** at each renewal for Coverage A (**Dwelling**), Coverage B (**Separate Structures**), Coverage C (Personal Property), and Coverage D (Loss of Use) as shown in the Declarations. We base increases on an updated estimated reconstruction cost of Coverage A, an inflation factor or cost indexes, changes in costs of construction, or any other method, or combination of methods, we may use to determine the amount for which we will offer to insure Coverage A at renewal. We will round any increases in limits to the next highest \$1,000. Premium will change accordingly. Your payment of the renewal premium indicates your acceptance of any adjusted limits.

11. Assignment and Death.

Any interest you may have in this policy or benefits payable from this policy may not be assigned or transferred to another person without our written consent and is void and invalid.

If you should die, we will cover:

- a. your spouse, civil union partner, or domestic partner per applicable local, state, or federal law of the United States or its territories, or of another country, if a resident of the same household with you at the time of your death, or any other member of your household on the **residence premises** who is an **insured** at the time of your death, but only while a resident of the **residence premises**;
- b. your legal representative while acting as such, but only with respect to the **residence premises** and property covered by this policy at the time of your death; or
- c. any person having proper temporary custody of your insured property until your legal representative is appointed and qualified.

12. Subrogation.

When we pay for any loss or damage, an **insured's** right to recover from anyone else for that loss or damage becomes our right, up to the amount we have paid. **Insureds** must protect any of these rights and help us enforce them. However, an **insured** may waive in writing before a loss, all rights of recovery against any person. An **insured** may not waive after a loss any rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us. If an assignment is sought, an **insured** must sign and deliver all related papers and cooperate with us. We are entitled to payment, reimbursement, and subrogation regardless of whether the total amount of the recovery by an **insured** on account of the loss or damage is less than the actual loss suffered by that **insured**. Subrogation does not apply to Section II - Liability.

13. What Law Will Apply.

This policy is issued in accordance with the laws of the state in which the **residence premises** is located and covers property or risks principally located in that state. The laws of the state where the **residence premises** is located shall govern any and all claims or disputes in any way related to this policy.

14. Arbitration.

Any claim or dispute related to this policy, by an **insured** against us or us against an **insured**, may be resolved by arbitration only upon mutual consent of us and the other party subject to:

- a. no arbitrator has the authority to award punitive damages, exemplary damages or attorney's fees;
- b. neither of the parties are entitled to arbitrate any claims or disputes in a representative capacity or as a member of a class; and
- c. no arbitrator has the authority, without the mutual consent of the parties, to consolidate claims or disputes in arbitration.

15. Conflict of Terms.

If there are terms of this policy that conflict with statutes of the state where issued, the terms are amended to conform to such statutes.

16. Where Suits May be Brought.

Any and all suits related to this policy will be brought, heard, and decided only in a state court located in the judicial

district in which the **residence premises** is located, or in a federal court located in the state in which the **residence premises** is located. Any and all suits against persons not party to this policy but involved in the sale, administration, performance, or alleged breach of this policy, shall be brought, heard, and decided only in a state court located in the state in which the **residence premises** is located, or in a federal court located in the state in which the **residence premises** is located, provided that such persons are subject to, or consent to, suit in the courts specified in this paragraph.

Nothing in this section shall limit or impair any party's right to remove a state court suit to a federal court.

17. **Changed Information.**

The premium you are charged for this policy is based on information that you provided to us, and on information we gather from other sources. You agree that if any information we use to rate or underwrite your policy changes, including, but not limited to, whether you qualify for discounts, or if that information is determined by you or us to be incorrect or incomplete, then we may, during the **policy period** or at renewal, re-underwrite this insurance, including adjusting coverage and/or premium. You must, as soon as reasonably practicable, inform us if any of the information you have provided to us changes, is incomplete, or is incorrect. Based on the changed, completed, or corrected information we gather from you or any other sources, we may decrease or increase the premium for your policy during the **policy period**.

Any premium increase or decrease will be based on the rules and rates in effect at the inception of the **policy period**.

18. **Additional Benefits and Services.**

We may work with independent merchants in providing enhanced value for replacement of your property.

We may work with independent merchants to establish programs to enhance the safety, value, usability, life, or protection of you or your insurable property, including but not limited to loss mitigation programs to reduce the losses you may experience. In connection with these programs, we or our business partners may offer you free or discounted devices, equipment, services, benefits, or rewards points.

We, at our discretion, or a third party with whom we work, may also provide you with free or discounted benefits related to your vehicles, homes, cell phones and other electronics, communications, finances, recreation, and travel. These may include but are not limited to devices, equipment, airline miles, memberships, merchandise, points, rewards, gift cards, special offers, goods and services, redemption codes,

coupons, vouchers, special offers, classes, seminars, and charitable contributions, donations, or gifts made on your behalf.

It is up to you to participate in these programs or to interact with these merchants and/or third parties. If the program or benefit is offered by the merchant, you will have to deal directly with them. You do not have to use their services or accept any discounts or benefits that they may offer to you. We do not make any representation or warranty, or accept any liability, regarding the suitability of any such services, discounts, or benefits for your specific needs. We do not warrant the merchantability, fitness, or quality of any goods or services provided under this provision or assume any additional obligation related to any additional benefits provided. We are not obligated to expand or continue to make available any such services, discounts, or benefits, and may discontinue them at any time. Not all additional benefits, services, or discounts will be available in all states.

19. **Policy Notices.**

We will address policy notices to you at your address stated in the Declarations. We may mail or, unless prohibited by law, deliver such notices to you. If a mortgagee is named in this policy, any notices we give to the mortgagee may be mailed or delivered.

However, when mailed, we or vendors we retain may forward or address such notices to an updated address per any change of address presented to or filed with the United States Postal Service.

20. **Reciprocal Provisions.**

This policy is made and issued in consideration of your premium payment to us. It is also issued in consideration of the information you gave to us during the application process, some of which is set out in the Declarations, and in consideration of the Subscription Agreement, which is provided to you and is incorporated herein by reference. You acknowledge that you have read, understood, and agree to all the terms and conditions of the Subscription Agreement. Among other things, the Subscription Agreement appoints your Attorney-in-Fact, authorizes your Attorney-in-Fact to execute interinsurance policies between you and other subscribers and to perform various functions, and addresses compensation of the Attorney-in-Fact. Membership fees that you pay as a subscriber are not part of the premium and are not returnable, unless otherwise required by state law.

We hold the Annual Meeting of the members of Farmers Insurance Exchange at our Home Office at Los Angeles, California, on the first Monday following the 15th day of

Farmers Smart Plan Home[®] Policy - California (continued)

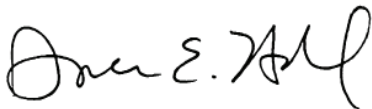
March each year at 2:00 pm. The Board of Governors may elect to change the time and place of the meeting. If they do so, you will be mailed a written or printed notice at your last known address at least ten (10) days before such a time, barring a public safety incident or an emergency situation that would prevent timely notice. Otherwise, no notice will be sent to you. The Board of Governors shall be chosen by subscribers from among yourselves. This will take place at the Annual Meeting or at any special meeting that is held for that purpose. The Board of Governors shall have full power and authority to establish such rules and regulations for our management as are not inconsistent with the Subscription Agreement.

Your premium for this policy and all payment made for its continuance shall be payable to us at our Home Office or such location named by us in your premium notice.

This policy is non-assessable.

The company named in the Declarations has caused this policy to be signed by the officers shown below.

FARMERS INSURANCE EXCHANGE
by Farmers Underwriters Association
Attorney-in-Fact



Secretary



President of Personal Lines

Policy Endorsements

Important Information About Your Policy

The following provides you with information about changes to your home policy, effective upon its renewal.

This message is provided for informational purposes only. It is not a part of your policy and does not affect or provide coverage, in and of itself. Since the policy, including its declarations and endorsements, is your contract with us, it takes precedence over this message. For a more detailed description of your coverage, please refer to your policy documents.

Your policy contract currently includes endorsement CA128 2nd edition titled State of Emergency Amendatory Endorsement - CA. We have replaced this endorsement with CA133 3rd edition titled State of Emergency Amendatory Endorsement - California and made the following updates:

Enhancements of Coverage

- In Section I - Property Conditions, How we Settle Covered Losses, a. is updated to add if the applicable stated limit for Section I - Property, Coverage A (Dwelling), and any additional amount provided by Section I - Extensions of Coverage, Extended Replacement Cost - Coverage A, or Building ordinance or Law is insufficient to repair the dwelling, we will combine the Coverage A and Coverage B stated limits. The settlement amount for the dwelling will not exceed the reasonable and necessary amount actually spent to repair or replace the specifically damaged component part(s) of the dwelling. The settlement amount for the separate structures in excess of the amount applied towards the necessary costs to rebuild or replace the damaged or destroyed dwelling shall be paid according to the terms of the policy.

Reductions of Coverage

- In Section I - Property Coverage, Coverage D (Loss of Use), Prohibited Use, we do not cover Prohibited Use for a home share business.

Miscellaneous Changes

- In Coverage D (Loss of Use), Prohibited Use, the definition of a neighboring premises has been removed.
- Section I - Extensions of Coverage. Extended Replacement Cost - Coverage A is removed from this endorsement. The coverage can be found in your Farmers Smart Plan Home® Policy - California.
- Section I - Extensions of Coverage. Building Ordinance or Law, c. is removed from this endorsement. The coverage can be found in your Farmers Smart Plan Home® Policy - California.
- We have updated the form with grammar, punctuation, and formatting/style changes to reflect the format, style, and structure of the policy.

If you have any questions, please contact your Farmers® Agent.

CA133A3

Policy Endorsements (continued)

State of Emergency Amendatory Endorsement - California (CA133 - 3rd Edition)

If a covered loss or damage is related to an event for which a "state of emergency" as defined in Section 8558 of the California Government Code has been declared, this endorsement modifies the following provisions:

In Section I - Property Coverage, Coverage D (Loss of Use), Additional Living Expense is removed in its entirety and replaced with the following:

Additional Living Expense.

If covered actual, accidental direct, distinct and demonstrable physical loss or damage to the **dwelling** makes that part of the **dwelling** where you reside uninhabitable by you, we will reimburse you for the actual, reasonable, and necessary increase in living expense incurred by you. This coverage is for you and any other **insureds** in your household to maintain the normal standard of living you had at the time of the loss event. Reimbursement for additional living expense will be for the shortest time needed to:

- a. repair or replace the loss or damage to the **dwelling**, or
- b. permanently relocate,

but in no event for more than 24 months.

However, at our option, we may advance a monthly amount up to, but not exceeding, the Coverage D (Loss of Use) **stated limit** divided by the Additional Living Expense Term shown in the Declarations. If this amount is insufficient for the actual, reasonable, and necessary increase in living expenses incurred by you on a monthly basis, you must provide receipts for all expenses incurred.

Any advances are a part of, and subject to, the Coverage D (Loss of Use) **stated limit**.

We will advance up to \$1,500 for refundable deposits required to pay for initiation of a lease agreement for temporary housing. We will collect the refundable amount of the advanced deposit in full within 30 days after the termination of the lease. The refundable amount of the advanced deposit may be offset from any future payments for this, or any other coverage, for the same loss event.

Additional living expense that raises your standard of living will not be reimbursed. Upon our request, you must provide receipts for expenses incurred. Additional living expense will be paid for only one household, regardless of the number of named **insureds**.

We shall grant an extension of up to 12 additional months, for a total of 36 months, if you, acting in good faith and with reasonable diligence, encounter a delay or delays in the reconstruction process that are the result of circumstances beyond your control. Circumstances beyond your control include, but are not limited to, unavoidable construction permit delays, lack of necessary construction materials, and lack of available contractors to perform the necessary work. Additional extensions of six months shall be provided to you for good cause.

Your Additional Living Expense coverage is also subject to the Coverage D (Loss of Use) **stated limit**. When this **stated limit** is reached, Additional Living Expense coverage is exhausted even if the time limits have not expired.

In Section I - Property Coverage, Coverage D (Loss of Use), Prohibited Use is removed in its entirety and replaced with the following:

Prohibited Use.

We provide Additional Living Expense as described in Section I - Property Coverage, Coverage D (Loss of Use), Additional Living Expense, for no more than two weeks if a civil authority prohibits you from use of the **dwelling** because of actual accidental, direct, distinct, and demonstrable physical damage to a neighboring premises, which damage would have been covered under this policy if the damage had occurred to the **dwelling**.

We shall grant extensions up to 2 additional weeks, for good cause, if you are acting in good faith and with reasonable diligence.

Policy Endorsements (continued)

This coverage is also subject to the Coverage D (Loss of Use) **stated limit**. When this **stated limit** is reached, this coverage is exhausted even if the time limits have not expired.

Prohibited Use coverage does not apply to threatened damage, or only because of area wide utility outage. For this coverage to apply, the **dwelling** must be habitable or fit to live in.

We do not cover Prohibited Use for a **home share business**.

In Section I - Property Conditions, How We Settle Covered Losses, the following is added at the end of a.:

If the applicable **stated limit** for Section I - Property, Coverage A (**Dwelling**), and any additional amount provided by Section I - Extensions of Coverage, Extended Replacement Cost - Coverage A, or Building Ordinance or Law is insufficient to repair or replace the **dwelling**, we will combine the Coverage A and Coverage B **stated limits**. The settlement amount for the **dwelling** will not exceed the reasonable and necessary amount actually spent to repair or replace the specifically damaged **component part(s)** of the **dwelling**. The settlement amount for **separate structures** in excess of the amount applied towards the necessary cost to rebuild or replace the damaged or destroyed **dwelling** shall be paid according to the terms of the policy.

In Section I - Property Conditions, Replacement Cost Settlement - Time Limitation is removed in its entirety and replaced with the following:

Replacement Cost Settlement - Time Limitation.

For any loss to property which may be settled on a replacement cost basis, you have 36 months from the date of our first payment toward **actual cash value** to collect any amounts due for replacement cost settlement. Additional extensions of six months shall be provided if good cause can be shown. The property must be actually repaired or replaced by you to collect replacement cost.

If you do not actually repair or replace the property within the time periods stated above, then the loss or damage will be settled at **actual cash value**.

In Section I - Property Conditions, Suit Against Us is removed in its entirety and replaced with the following:

Suit Against Us.

No suit or other action can be brought against us, our agents, or our representatives unless there has been full compliance with all the terms of this policy, including, but not limited to:

- a. submission to requested examinations under oath; or
- b. valuation of the **actual cash value** and/or the **incurred property damage** by appraisal, if the suit or action involves such.

Suit on or arising out of the Section I - Property Coverage of this policy must be brought within 2 years after inception of the loss or damage.

Policy Notices

Notice to Consumer - California Residential Property Insurance Disclosure

Policy Number: 33667-75-00

Insured's Name: Pamela Jane Nye Family Trust

This disclosure is required by Section 10102 of the California Insurance Code. This form provides general information related to residential property insurance and is not part of your residential property insurance policy. Only the specific provisions of your policy will determine whether a particular loss is covered and the amount payable. The information provided does not preempt existing California law.

Primary Forms of Residential Dwellings Coverage

You have purchased the coverage(s) checked below. Note: Actual Cash Value Coverage is the most limited level of coverage listed. Guaranteed Replacement Cost is the broadest level of coverage.

- ☐ **Actual Cash Value Coverage** for either a total or partial loss to the structure or its contents pays the amount it would cost you to repair, rebuild, or replace the thing lost or injured, less a fair and reasonable deduction for physical depreciation based upon its condition at the time of the injury or the policy limit, whichever is less. A deduction for physical depreciation applies only to components of a structure that are normally subject to repair and replacement during the useful life of that structure.
- ☐ **Replacement Cost Coverage** is intended to provide for the cost to repair or replace the damaged or destroyed dwelling, without a deduction for physical depreciation. Many policies pay only the dwelling's actual cash value until the insured has actually begun or completed repairs or reconstruction on the dwelling. Coverage only pays for replacement costs up to the limits specified in your policy.
- ☒ **Extended Replacement Cost Coverage** is intended to provide for the cost to repair or replace the damaged or destroyed dwelling without a deduction for physical depreciation. Many policies pay only the dwelling's actual cash value until the insured has actually begun or completed repairs or reconstruction on the dwelling. Extended Replacement Cost provides additional coverage above the dwelling limits up to a stated percentage or specific dollar amount. See your policy for the additional coverage that applies.
- N/A* **Guaranteed Replacement Cost Coverage** covers the full cost to repair or replace the damaged or destroyed dwelling for a covered peril regardless of the dwelling limits shown on the policy declarations page.
- ☒ **Building Code Upgrade Coverage**, also called Ordinance and Law coverage, covers additional costs to repair or replace a dwelling to comply with the building codes and zoning laws in effect at the time of loss or rebuilding. These costs may otherwise be excluded by your policy. Meeting current building code requirements can add significant costs to rebuilding your home. Refer to your policy or endorsement for the specific coverage provided and coverage limits that apply.

*N/A = Not available

Read Your Policy and Policy Declarations Page Carefully: The policy declarations page shows the specific coverage limits you have purchased for your dwelling, personal property, separate structures such as detached garages, and additional living expenses. The actual policy and endorsements provide the details on extensions of coverage, limitations of coverage, and coverage conditions and exclusions. The amount of any claim payment made to you will be reduced by any applicable deductibles shown on your policy declarations page. It is important to take the time to consider whether the limits and limitations of your policy meet your needs. Contact your agent, broker, or insurance company if you have questions about what is covered or if you want to discuss your coverage options.

Information You Should Know About Residential Dwelling Insurance

Policy Notices (continued)

Avoid Being Underinsured: Insuring your home for less than its replacement cost may result in your having to pay thousands of dollars out of your own pocket to rebuild your home if it is completely destroyed. Contact your agent, broker, or insurance company immediately if you believe your policy limits may be inadequate.

The Residential Dwelling Coverage Limit: The coverage limit on the dwelling structure should be high enough so you can rebuild your home if it is completely destroyed. Please note:

- The cost to rebuild your home is almost always different from the market value.
- Dwelling coverage limits do not cover the value of your land.
- The estimate to rebuild your home should be based on construction costs in your area and should be adjusted to account for the features of your home. These features include but are not limited to the square footage, type of foundation, number of stories, and the quality of the materials used for items such as flooring, countertops, windows, cabinetry, lighting and plumbing.
- The cost to rebuild your home should be adjusted each year to account for inflation.
- Coverage limits for contents, separate structures, additional living expenses and debris removal are usually based on a percentage of the limit for the dwelling. If your dwelling limit is too low, these coverage limits may also be too low.

You are encouraged to obtain a current estimate of the cost to rebuild your home from your insurance agent, broker, or insurance company or an independent appraisal from a local contractor, architect, or real estate appraiser. If you do obtain an estimate of replacement value, and wish to change your policy limits, contact your insurance company. While not a guarantee, a current estimate can help protect you against being underinsured.

Demand Surge: After a widespread disaster, the cost of construction can increase dramatically as a result of the unusually high demand for contractors, building supplies and construction labor. This effect is known as demand surge. Demand surge can increase the cost of rebuilding your home. Consider increasing your coverage limits or purchasing Extended Replacement Cost coverage to prepare for this possibility.

Changes to Property: Changes to your property may increase its replacement cost. These changes may include the building of additions, customizing your kitchen or bathrooms, or otherwise remodeling your home. Failure to advise your insurance company of any significant changes to your property may result in your home being underinsured.

Exclusions: Not all causes of damage are covered by common homeowners or residential fire policies. You need to read your policy to see what causes of loss or perils are not covered. Coverage for landslide is typically excluded. Some excluded perils such as earthquake or flood can be purchased as an endorsement to your policy or as a separate policy. Contact your agent, broker, or insurance company if you have a concern about any of the exclusions in your policy.

Contents (Personal Property) Coverage Disclosure:

This disclosure form does not explain the types of contents coverage provided by your policy for items such as your furniture or clothing. Contents may be covered on either an actual cash value or replacement cost basis depending on the contract. Almost all policies include specific dollar limitations on certain property that is particularly valuable, such as jewelry, art, or silverware. Contact your agent, broker or insurance company if you have any questions about your contents coverage. You should create a list of all personal property in and around your home. Pictures and video recordings also help you document your property. The list, photos, and video should be stored away from your home.

Policy Notices (continued)

Consumer Assistance

If you have any concerns or questions, contact your agent, broker, or insurance company. You are also encouraged to contact the California Department of Insurance consumer information line at (800) 927-HELP (4357) or at www.insurance.ca.gov for free insurance assistance.

Fire safety-related discounts offered: A Home Safety, Home Protection and Loss Prevention, Sprinkler System, or Central Fire Alarm discount may be available depending on product type. Please contact your agent for additional information.

California Insurance Department's Homeowners Coverage Comparison Tool

We do not offer at least 50 percent extended replacement cost coverage for this policy. Policies offering extended replacement cost coverage of at least 50 percent may be available for your property. The California Insurance Department developed a Homeowners Coverage Comparison Tool to assist homeowners in finding insurance coverage. This tool can be found on the department's internet website, www.insurance.ca.gov.

Insured's Signature

25-2531 5-21

California Residential Property Insurance Bill of Rights

A consumer is entitled to receive information regarding homeowner's insurance. The following is a limited overview of information that your insurance company can provide:

- The insurance company's customer service telephone number for underwriting, rating, and claims inquiries.
- A written explanation for any cancellation or nonrenewal of your policy.
- A copy of the insurance policy.
- An explanation of how your policy limits were established.
- In the event of a claim, an itemized, written scope of loss report prepared by the insurer or its adjuster within a reasonable time period.
- In the event of a claim, a copy of the Unfair Practices Act and, if requested, a copy of the Fair Claims Settlement Practices Regulations.
- In the event of a claim, notification of a consumer's rights with respect to the appraisal process for resolving claims disputes.
- An offer of coverage and premium quote for earthquake coverage, if eligible.

This insurer reports claim information to one or more claims information databases. The claim information is used to furnish loss history reports to insurers. If you are interested in obtaining a report from a claims information database, you may do so by contacting:

A-PLUS™ a division of ISO Services, Inc.
(800) 709-8842
<http://www.verisk.com/insurance/products/order-an-a-plus-loss-history-report.html>
LexisNexis Consumer Center

Policy Notices (continued)

(800) 456-6004
www.consumerdisclosure.com

A consumer is also entitled to select a licensed contractor or vendor to repair, replace, or rebuild damaged property covered by the insurance policy. The information provided herein is not all inclusive and does not negate or preempt existing California law. If you have any concerns or questions, contact your agent, broker, insurance company, or the California Department of Insurance consumer information line at (800) 927-HELP (4357) or at www.insurance.ca.gov for free insurance assistance.

25-2563 8-17

Did You Know?

We provide this handout to let you know about discounts and surcharges that may affect your insurance premium, depending on the type of policy you have. A discount means you pay less. A surcharge means you pay more. This is for your information only and is not an offer of insurance or part of your policy.

Discounts - Here are some ways to get a discount on your premium:

- Go at least one year without a "qualified loss" and the discount increases every year. Receive the largest discount after five years without a "qualified loss".
To find out what "qualified" means, see the next section.
- Have your auto and umbrella policies with us
This applies when a qualifying Auto or Umbrella policy is issued by a member company of the Farmers Insurance Group of Companies®.
- Have your earthquake coverage with the California Earthquake Authority.
This applies when a qualifying earthquake policy is issued by the California Earthquake Authority.
- Buy a new home.
This applies when your home was purchased within one year of policy inception. Discount remains for up to five terms.
- Have certain types of protective devices installed in your house.
This applies, with certain restrictions, to any devices that protect from fire, theft, or water

Surcharges - The following describes when you could pay a higher premium:

- You've had one or more qualified (we explain "qualified" below) losses in the past five years.
We remove the surcharge on the first renewal date after the five-year anniversary of each loss.

Do you have questions? Would you like a detailed explanation of any of these discounts and surcharges? If yes, please call your Farmers® agent.

Definition of Qualified Loss

In the context of discounts and surcharges, damages paid for certain types of losses are "qualified losses." The simplest way to explain what is a qualified loss is to list what it isn't: Any loss paid under any property policy for damages to covered property resulting from one of the causes of loss listed below is not a qualified loss. In other words, any of the following losses paid under any property policy resulting from any of the following causes of loss does not count against you and does not affect discounts or surcharges:

- Earthquake.

Policy Notices (continued)

- Losses in which the net paid amount does not exceed \$500.
- Losses considered "forgiven" under the Farmers Personal Home Claim Forgiveness program.
- Losses which are overridden by the underwriter.

*Subrogation is defined as "substituting one person for another". When an insurance company pays the insured for a loss for which another party is responsible, the company may "subrogate" and take over the insured's right to collect from that party

We understand this information about "qualified losses" is somewhat technical in nature. Please call your Farmers[®] Agent if you have questions.

25-4768 11-22

Notice for FAIR Plan Companion Endorsement Policyholders

Thank you for choosing Farmers for your insurance needs. We appreciate your business and want to make sure you understand the coverages afforded by your California FAIR Plan Association Policy and your Farmers Smart Plan Home Policy, as endorsed with the FAIR Plan Companion Endorsement.

The FAIR Plan Companion Endorsement is intended to work with your California FAIR Plan Policy and your Farmers Smart Plan Home Policy to provide coverage for your home. Please note that although your Farmers Smart Plan Home Policy provides broad homeowners coverage with the FAIR Plan Companion endorsement, it does not provide coverage for the perils listed below that can be purchased through a California FAIR Plan Policy. It is critical to maintain both a Homeowners Policy and a California FAIR Plan Policy to be covered in the event of a claim. The California FAIR Plan Policy provides coverage for the following perils:

- Fire or Lighting
- Internal Explosion

For an additional premium the California FAIR Plan Policy provides coverage for the following perils:

- Windstorm or Hail
- Explosion
- Riot or Civil Commotion
- Aircraft including Self-Propelled Missiles and Spacecraft
- Vehicles
- Smoke
- Volcanic Eruption
- Vandalism or Malicious Mischief

Policy Notices (continued)

We encourage you to maintain both your Farmers Smart Plan Home Policy and a California FAIR Plan Policy that provides coverage for all of the perils listed above. **Please note that whether or not you maintain coverage under a California FAIR Plan Policy, if your home is damaged by any of the perils listed above, there is no coverage provided under your Farmers Smart Plan Home Policy as endorsed with the FAIR Plan Companion Endorsement.**

If you have any questions regarding your Farmers Smart Plan Home Policy or your California FAIR Plan Policy, please contact your Farmers agent.

25-5907 4-16

Experience Rating Plan Disclosure Notice

California insurance regulations require us to let you know when we use a rating plan that takes your loss history with any insurer into account. Your loss history may include property losses of you, your spouse or domestic partner (if applicable) or prior losses at the property to be insured. Farmers® uses an experience rating plan that works like this:

Households having no qualified losses during the three-year period prior to the renewal or new business effective date receive a claims-free discount. Households with qualified losses during this period may pay a higher premium due to removal of the claims-free discount and/or addition of a surcharge. This higher premium is based primarily on:

- 1. the number of qualified losses during the five-year period prior to the renewal or new business effective date;
- 2. the length of time since the previous loss, qualified or not; and
- 3. the length of time the household has been insured by a Farmers® insuring entity for a property that was continuously occupied by the insured.

Definition of Qualified Loss

A qualified loss is a loss paid under any policy for damages resulting from any cause of loss except the ones listed here:

- Earthquake Losses.
- Losses for which the paid amount does not exceed the chargeability threshold of \$500.
- Losses which are overridden by the underwriter.
- Losses considered "forgiven" under the Farmers Personal Home Claim Forgiveness Program.

If you have any questions about the experience-rating plan, please contact your Farmers® Agent.

25-7754 11-22

Important Information About Your Policy

Dear Pamela Jane Nye Family Trust,

When it comes to insurance, you want a company that offers a variety of coverage options. This is why we also offer a, fully customizable, Homeowners product in California – Farmers Next Generation® Homeowners. The chart below illustrates some of the important

Policy Notices (continued)

differences between your current coverage in our Farmers Smart Plan Home[®] product and the coverage options available exclusively through Next Generation Homeowners.

Coverage description	Minimum Coverage available in a Next Generation [®] Policy	Minimum coverage available in Farmers Smart Plan Home [®]
How Farmers would settle a covered claim where the cost to replace or repair the home exceeds the Dwelling Limit (Extended Replaced Cost)	Up to 25% above Coverage A Dwelling limit	Not Included
Coverage limit for separate structures	10% of your Coverage A Dwelling limit	As low as 5% of your Coverage A Dwelling limit
Coverage limit for your personal property	75% of your Coverage A Dwelling limit	As low as 40% of your Coverage A Dwelling limit
Coverage for Additional Living Expense	40% Coverage A Dwelling limit	10% Coverage A Dwelling limit
Coverage limit to access a water leak within your home's foundation (slab access)	Up to policy Limit	Limit capped at \$2,000

If you are interested in exploring any of the new coverage options available to you in Farmers Next Generation[®] Homeowners, please contact your Farmers[®] Agent for additional details. Thank you for being a Farmers customer!

This brief summary is not a policy document. Please read the actual policy documents for important details on coverages, exclusions, limits, conditions, and terms. If there is any conflict between this summary and the policy documents, the policy documents will control.

25-8348 12-22

California Wildfire Mitigation Customer Notification

We use a variety of factors when determining your insurance rates. One key risk area we consider is your Wildfire Risk Score, also called FireLine[®]. We get your FireLine score from our vendor Verisk[™], and it's a common tool used in the insurance industry to help determine a property's wildfire risk. The FireLine score is calculated by looking at three risk factors of your property:

1. Fuel – this factor assesses the amount and type of vegetation at your property and within a quarter mile of the surrounding area (for example, grasses, trees and/or brush).
2. Slope – this factor is determined by reviewing the slope of the land on which your property is situated (Slopes can increase the speed and intensity of a wildfire).
3. Access – this factor is assessed based on ease/difficulty of road access to your property for emergency services.

In order to calculate your FireLine score, the Fuel and Slope scores are multiplied together and then the Access score is added. The score can range between 0 and 30, where 30 represents the highest risk.

You can learn more about how your property is scored below:

- Fuel (score of 0-5, with 5 representing the heaviest/highest combustibility fuel)

Policy Notices (continued)

- o Fuel score assesses vegetative fuels at the property and within the surrounding area (i.e., amount and type of fuels including grasses, trees or dense brush). Available scores:
 - 0 – No Fuel
 - 1 – Small, light fuels
 - 2 – Light to medium fuels
 - 3 – Medium fuels
 - 4 – Medium to heavy fuels
 - 5 – Heavy, large fuels
- Slope (score of 0-5, with 5 representing the steepest slope)
 - o Slope at the property (i.e., steep slopes can increase the speed and intensity of a wildfire). Available scores based on percent of steepness:
 - 1 – Mild (0-5%)
 - 2 – Moderate (6-20%)
 - 3 – Steep (21 – 40%)
 - 5 – Extreme (over 40%)
- Access (score of 0-5, with 5 representing most restricted access)
 - o Access to the property (i.e., fire truck ability to access properties located on a dead-end road or network of roads). Available scores include:
 - 0 – No Access Problems
 - 1 – Somewhat Limited Access
 - 3 – Limited Access
 - 5 – Very Limited Access

If you want to get the FireLine score for your property, or have questions, please contact your agent, or call Farmers at 1(800) FARMERS (1(800) 327-6377).

If you think there is an error with your score and would like to appeal, please contact your Agent. You can also send an email, with the information below, to usw.pl.fireline@farmersinsurance.com or call Farmers at 1(800) FARMERS (1(800)327-6377).

Insured's Name	Dwelling Address
Policy Number	Effective/Renewal Date
Current FireLine Score	Contact Information (email & phone number)
Reason for Appeal – Component(s) of FireLine Score being Appealed	Describe specific actions that have changed the Fuel, Slope or Access score for appeal

25-8356 3-23

Notice of Information Practices California

Why did we send you this notice?

The State of California requires all insurance companies to tell customers about their information practices. Information practices include things companies do to gather and share information about customers. Insurance companies need information to make decisions. They make all sorts of day-to-day decisions: who to insure, how much to charge, how to handle claims, and others.

What are your rights?

Our information practices extend to applicants and policyholders (past and present). State and federal laws give you certain rights when you take part in transactions having to do with insurance for yourself, your family, or your household.

We send our customers a notice called the "Farmers Privacy Notice." The Farmers Privacy Notice does not limit any rights you may have - as a consumer, claimant, or beneficiary. Your state gives you additional protections. They are explained in this notice.

How do we collect the information?

You give us most of the information we need when you apply for insurance. Much of it is made up of common, practical facts: your employment information, your driving record, your age, where you live, and other things like that. Many times, we need more information. Or we may need to verify information you've given us. When that happens, we normally ask for a report from an outside source. That source can be a consumer reporting agency or an insurance support organization. Both provide information in the form of consumer reports. Most insurance companies use these; it's a common industry practice.

Sometimes one of these outside sources needs to gather information before they can prepare an investigative consumer report. This could be done as part of a fraud investigation, for example. They might then contact you, another adult member of your household, or a neighbor by phone or in person. If this happens, you can, as the Named Insured, ask us to interview you or your spouse as well. We will make every effort to honor your request.

What types of information do we collect?

Auto - While taking your application for insurance and to service policies covering your personal vehicles, we may obtain information about

- How you use your vehicle(s), including annual mileage
- Age, personal habits, and characteristics of drivers
- Credit information
- History of accidents, driving violations, arrests or convictions, and claims
- Previous insurance experience

Property - While taking your application for insurance and to service policies covering your real and personal property, we may obtain information about

- Type of construction and square footage of dwelling
- Heating system and other physical characteristics of the property
- Care and maintenance of the property
- Credit information
- Claims history
- Previous insurance experience

Policy Notices (continued)

- Personal habits and characteristics of the property's occupants

What do we do with the information?

We use the information we collect about you to perform insurance functions. This includes

- Underwriting and servicing your policy
- Processing claims (we may obtain information relating to health and employment)
- Investigating potential fraud
- Other activities permitted by state and federal law

Here's an example: If you ask us to set up a payment by electronic funds transfer, we may obtain financial information for a particular bank account.

We may also disclose information to other parties. The law permits us to do this without your prior authorization when the information goes, for example, to these parties:

1. Your Farmers[®] agent - to service your policy.
2. Persons who need this information to perform normal business functions for us.
3. Persons conducting actuarial or research studies on our behalf.
4. Another insurance company or an insurance support organization - to perform an insurance transaction, or to detect or prevent criminal activity or fraud in connection with an insurance transaction.
5. A medical professional or medical care institution - to verify insurance coverage or benefits or to inform an individual of a medical problem the individual may not know about.
6. An insurance regulatory authority.
7. Law enforcement or other governmental authority.
8. A group policyholder - to report claims experience or conduct an audit of our operations, but only as needed to conduct the review or audit.
9. Affiliates, as permitted by law. The law allows us to share your financial information with our affiliates to market products or services to you, and does not allow customers to restrict that disclosure.
10. Persons that perform marketing services on our behalf, as permitted by law.
11. Other non-affiliated third parties, as permitted by law.
12. A party to a proposed or consummated sale, transfer, merger, or consolidation of all or part of the company underwriting your policy.

An insurance support organization that prepares a report may keep information it gathers and disclose that information to other persons, but only to the extent permitted by federal and state law.

How can you see or make corrections to your personal information?

You have these rights:

- To know what personal information about you we have in our records. That includes reports from outside sources.
- To get a copy of your personal information.
- To request that we correct, change, or remove any information you feel is incorrect.

To use these rights, you must send us a written request. Your Farmers[®] agent can give you the appropriate service center address.

Policy Notices (continued)

If you request that we correct, change, or remove incorrect information, we'll check our records and make the changes if we can. We'll let you know in writing what we decide.

If we cannot make a change you asked for, you can file a statement. Write down the reasons you disagree with our decision. We'll include the statement in our records. That way, anyone who looks at the disputed personal information will also see your statement. From then on, if we disclose your information to another party, we'll include your statement. We will also send a copy to anyone who has gotten your personal information from us in the past two years. Just tell us who you would like us to send it to.

There are some types of information for which these rights do not apply:

- Information we collect to process an actual or anticipated claim
- Information we collect for an actual or anticipated civil or criminal proceeding
- Specific items of privileged information when an applicant or policyholder is suspected of fraud, material misrepresentation, or material nondisclosure

We'll keep you informed.

As required by law, we will keep you up to date on our information practices. We reserve the right to modify our practices at any time, when permitted by law.

If you have questions about this notice, please call your Farmers® agent.

This notice is sent on behalf of the Farmers Insurance Group of Companies, whose members include, but are not limited to:

Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange, Mid-Century Insurance Company, Farmers New Century Insurance Company, Farmers Insurance Company, Inc. (A Kansas Corp.), Farmers Insurance Company of Arizona, Farmers Insurance Company of Idaho, Farmers Insurance Company of Oregon, Farmers Insurance Company of Washington, Farmers Insurance of Columbus, Inc., Farmers Texas County Mutual Insurance Company, Illinois Farmers Insurance Company, Mid-Century Insurance Company of Texas, Texas Farmers Insurance Company, Civic Property and Casualty Company, Exact Property and Casualty Company, and Neighborhood Spirit Property and Casualty Company.

25-8531 10-12

Reconstruction Cost and Your Coverage A (Dwelling) Amount

Policy Number: 33667-75-00

This document contains important information about your insurance coverage. Please review this information carefully.

Do You Think You Have Enough Coverage?

At renewal your policy will provide **\$384** per square foot to rebuild your home. (This does not include any additional amount added by extension or endorsement to your policy.)

When you first obtained your policy, Farmers® used an estimating program to calculate a reconstruction cost estimate for your home. This was an estimate, not a guarantee of reconstruction costs.

Policy Notices (continued)

For this renewal offer we have applied a reconstruction cost factor as part of the annual renewal process. Since we do not unilaterally reduce the Coverage A amount at renewal, there will be no change in the Coverage A amount if application of the factor would result in a decrease in the Coverage A amount. The chart below shows the amount for which we have offered to insure your home at renewal as well as the reconstruction cost estimate with the factor applied (see below). We will calculate a new estimate, rather than apply the reconstruction cost factor, upon request or when you notify us of changes to the features of your home.

Coverage A (Dwelling) Amount offered to insure your home at renewal:	\$644,000
Reconstruction Cost Estimate:	\$644,000

Please review the next page to make sure the details about your home are correct, and let me know of any necessary changes. Changes to these details could result in a change to the reconstruction cost estimate. Feel free to contact me at any time if you want a new estimate calculated or if you want to make a change to the amount for which your home is insured.

It's important to understand that reconstruction cost is NOT the same as the market value of your home.

Reconstruction Cost

Reconstruction cost is the amount it would cost to rebuild your home if it were destroyed. It includes costs like materials and labor and city/county fees. It is not what a buyer would pay for your home or the amount of your mortgage. It does not include the value or cost of the land.

vs.

Market Value

Market value is the price a buyer would pay to purchase the home, including the land and property, in its current condition. It takes into account the location, the desirability of the property, changes in the housing market, and the economy. It does not take into account the cost to build a new home.

Do You Need Help?

As your Farmers Agent I am happy to help you with any questions you have. I can provide guidance as to the coverage options available, but I cannot choose your coverage amounts for you. Ultimately it is your responsibility to make sure you have purchased sufficient insurance coverage to rebuild your home and replace your personal property.

If you have questions about your coverage or the Coverage A amount offered for your home with this renewal offer please contact my office at (949) 487-9661. As your Farmers Agent, I am committed to providing you with excellent service.

Sincerely,

Michael Rey

Questions to Consider When You are Determining Your Coverage:

- Is the square footage accurate?
- Have you remodeled your kitchen, bathrooms or any other part of your home?
- What is the overall quality of your home? (See the Quality Grade definitions later in this document.)

Information We Have About Your Home.

Please review the information below about your home for accuracy. Additionally, keep in mind that the amount for which we have offered to insure your home is not a guarantee of reconstruction costs. Again, feel free to contact me if you want to make a change to your Coverage A amount.

Policy Notices (continued)

ZIP Code:	90272-2153	Roof Material:	Composition Shingle
Year Built:	1973	Garage Type:	Attached / Built-In
Square Footage:	1,676	Interior Wall Construction	Drywall
Style or Number of Stories:	1 Story	Material:	
Dwelling Quality Grade:	Custom	Basement:	No
Foundation Type:	Concrete Slab	Number of Units:	1
Foundation Shape:	6-7 Corners - L Shape		

Please note that the above information is not an all inclusive list of the individual home features that would be used to recalculate your estimate, but would be major contributors to the development of that estimate. If you desire a complete list of all home features or any other information, please contact me so I can provide that information. Please see the next page for definitions of selected reconstruction cost terms.

There are other coverages and/or options that may be right for you, including those that follow. Some may not be available based on your policy form and/or some may have additional underwriting requirements.

Extended Replacement Cost Coverage: With this coverage and subject to its provisions, we pay to repair or replace damage from a loss covered under Coverage A up to an additional 25% or 50% of the Coverage A amount, depending on which percentage options, if any, are available in your state for your policy form. If your policy does not have this coverage, or if a higher coverage limit is available, you may consider adding or increasing this coverage for an additional premium. This coverage may provide an additional layer of protection as your policy **does not** provide Guaranteed Replacement Cost coverage.

Building Ordinance or Law Coverage: Your policy has limited Building Ordinance or Law coverage to pay for costs that result from having to rebuild in compliance with updated building codes. You may be able to increase the amount of this coverage for additional premium.

Personal Property: You may also be able to purchase increased coverage for certain items of personal property. These items may include but are not limited to jewelry, watches, electronic data processing equipment, fine arts, firearms, silverware, and other collectibles.

Please contact me to discuss any of the coverages or options listed above.

Selected Definitions

Term	Definitions
Square Footage	The total square footage figure includes all floors of your home. IMPORTANT: It does NOT include any of the following: attached garage or built-in garage, carport, basement (even if fully finished), attached greenhouse, porches or decks, or any detached structures.
Reconstruction Cost Factor	This Factor is applied as part of the annual renewal process. The Factor may be based on the approximate difference between a current and former reconstruction cost estimate program and/or may reflect the changes in the cost of materials and labor required to rebuild a home in your area.
Dwelling Quality Grade	The following "definitions" are general guidelines to help with your review. Your home can have elements of more than one specific Dwelling Quality Grade. Therefore, you should determine the Quality Grade by choosing the one that comes closest to describing your home.

Premium: Unique style and/or shape which vary from the other homes in the area. They are typically very large homes, generally at least 5,000 square feet. Vaulted ceilings (9' - 12') typically throughout.

Policy Notices (continued)

Term	Definitions
	<p>Highest grade materials used throughout (countertops, cabinets, flooring, wall coverings etc.). Contains unique features such as wall safes, built-in movie theaters, and other luxury constructions.</p> <p>Custom: These homes can be recognized by the unique style and/or shape which vary from the other homes in the area. They are typically quite large homes. Custom homes are distinguished by style and shape as well as by the finishes, though they may contain both Above Average and/or Premium quality finishes. Includes features such as highly upgraded kitchen and bath countertops, floor and wall coverings, built-in bookshelves, and wet bars.</p> <p>Above Average: Tract style home construction with upgraded features. Home design is produced throughout the area. Many rooms, including the kitchen, bathrooms, and bedrooms have been upgraded from the standard construction design and have features that are made of higher quality materials. Typical designs include raised ceilings. Many upgraded features include the wall and floor coverings, lighting fixtures and kitchen and master bath countertops.</p> <p>Standard: Typical of common tract style home construction. Home design is produced throughout the area. Features come as part of the packaged construction design and are made of solid and quality conventional materials. Typical designs may include slightly higher ceilings with occasional vaulted ceilings. Some upgraded features but not prevalent.</p> <p>Economy: Basic home features and design. Simple construction layout and floor plan. Inexpensive fixtures and features. Lower grade, but functional, construction materials (for example: roofing, flooring, cabinets, and countertops).</p>

25-8861 4-18



Subscription Agreement Notice

Subscription Agreement Notice

(Please keep for your records)

By payment of the policy premium, you acknowledge that you have received and read the Farmers Insurance Exchange Subscription Agreement (the terms of which are provided below) and that you agree to be bound to all of the terms and conditions of the Subscription Agreement.

Under the Subscription Agreement, you appoint Farmers Underwriters Association (the "Association") to act as the attorney-in-fact. The Association has acted in this capacity since 1928. The Subscription Agreement provides for payment of compensation to the Association for its becoming and acting as attorney-in-fact. This compensation consists of a membership fee and a percentage of premiums on all policies of insurance or reinsurance issued or effected by the Exchange. These fees are included in your policy payment and are not an additional fee.

We reserve the right to request that you provide us with a signed Subscription Agreement and if you fail to do so, your coverage may be terminated.

Subscription Agreement

For and in consideration of the benefits to be derived therefrom the subscriber covenants and agrees with Farmers Insurance Exchange and other subscribers thereto through their and each of their attorney-in-fact, the Farmers Underwriters Association, to exchange with all other subscribers' policies of insurance or reinsurance containing such terms and conditions therein as may be specified by said attorney-in-fact and approved by the Board of Governors or its Executive Committee for any loss insured against, and subscriber hereby designates, constitutes and appoints Farmers Underwriters Association to be attorney-in-fact for subscriber, granting to it power to substitute another in its place, and in subscriber's name, place and stead to do all things which the subscriber or subscribers might or could do severally or jointly with reference to all policies issued, including cancellation thereof, collection and receipt of all monies due the Exchange from whatever source and disbursement of all loss and expense payments, effect reinsurance and all other acts incidental to the management of the Exchange and the business of interinsurance; subscriber further agrees that there shall be paid to said Association, as compensation for its becoming and acting as attorney-in-fact, the membership fees and twenty per centum of the Premium Deposit for the insurance provided and twenty per centum of the premiums required for continuance thereof.

The remaining portion of the Premium Deposit and of additional term payments made by or on behalf of the subscriber shall be applied to the payment of losses and expenses and to the establishment of reserves and general surplus. Such reserves and surplus may be invested and reinvested by a Board of Governors duly elected by and from subscribers in accordance with provisions of policies issued, which Board or its Executive Committee or an agent or agency appointed by written authority of said Executive Committee shall have full powers to negotiate purchases, sales, trades, exchanges, and transfers of investments, properties, titles and securities, together with full powers to execute all necessary instruments. The expenses above referred to shall include all taxes, license fees, attorneys' fees and adjustment expenses and charges, expenses of members' and governors' meetings, agents' commissions, and such other specified fees, dues and expenses as may be authorized by the Board of Governors. All other expenses incurred in connection with the conduct of the Exchange and such of the above expenses as shall from time to time be agreed upon by and between the Association and the Board of Governors or its Executive Committee shall be borne by the Association.

The principal office of the Exchange and its attorney-in-fact shall be maintained in the City of Los Angeles, County of Los Angeles, State of California.

This agreement can be signed upon any number of counterparts with the same effect as if the signatures of all subscribers were upon one and the same instrument, and shall be binding upon the parties thereto, severally and ratably as provided in policies issued. Wherever the word "subscriber" is used the same shall mean members of the Exchange, the subscriber hereto, and all other subscribers to this or any other like agreement. Any policy issued hereon shall be non-assessable.

Privacy Policy

This notice describes our privacy policies and procedures in safeguarding information about customers and former customers that obtain financial products or services for personal, family or household purposes. **Please note that if state law is more protective of an individual's privacy than federal privacy law, we will protect information in accordance with state law while also meeting federal requirements.**

Information We Collect

We may collect the following categories of information for the purposes identified below. Please note that the examples are not an exhaustive list and may fall into multiple categories. Categories and specific pieces of information collected may vary depending on the nature of your relationship with us.

Category	Examples
Personal Identifiers	Name, alias, address, social security number, date of birth, passport number, unique personal identifier, online identifier, IP address, e-mail address, account name, government issued identification number, phone number, signature
Personal Characteristics	Gender, demographic, medical and health, convictions, marital status, offspring, driving record, family member/other status, and other descriptions of your physical characteristics.
Commercial Information	Personal property, insurance policy number, medical information, or health insurance information, purchased products or services, considered products or services, purchasing or consuming histories or tendencies.
Biometric Information	Voice print, photo.
Internet or network activity	Information regarding your interactions with websites, applications, and advertisements, browser type, electronic communications, IP address, cookies.
Geolocation	IP address, physical address, telephone number, state, municipality, location, devices, applications on mobile and computer devices.
Audio, electronic, visual, thermal, olfactory	Audio, electronic, photo, visual information, such as a call or video recording, voicemail messages.
Professional information and Employment information/Education Information	Job titles, work history, school attended, employment status, veteran, or military status.
Education Information	Job titles, work history, school attended, marital status, e-mail, telephone recordings.
Inferences	Preferences, behaviors, characteristics, trends, predispositions, attitudes, abilities, and aptitudes.
Sensitive Personal Information	Social security number, driver's license number, state ID card, account login, precise geo-location, bank account number, credit or debit card number, or any other financial information, trade union membership, your communications with us.

Purposes for Collection of Personal Information

We collect and use your personal information to offer, provide and maintain insurance products and related services to you. We may use your personal information for one or more of the following purposes:

- To offer, provide, and maintain insurance products and related services to you;
- To authenticate and verify your identity; to maintain your preferences and to contact you;
- Security: authentication and verification of your identity, fraud identification and protection;
- Conduct analytics, research and development, improvement of our products and services;
- To conduct quality assurance;
- To provide a location-based product or service requested by you;
- To apply relevant discounts;
- To create profiles based on personal information collected and reflecting individual preferences to provide appropriate or relevant products and services and improve and analyze our products and services and provide relevant marketing;

We collect certain information ("nonpublic personal information") about you and the members of your household ("collectively, you") from the following sources:

- Information you provide on applications or other forms, such as your social security number, assets, income, and property information.
- Information about your transactions with us, our affiliates, or others, such as your policy coverage, premiums, and payment history.
- Information from your visits to the websites we operate, use of our mobile sites and applications, use of our social media sites, and interaction with our on-line advertisements.
- Information we receive from consumer reporting agencies or insurance support organizations, such as motor vehicle records, credit report information, and insurance claim history; and
- If you obtain a life, long-term care, or disability product, information we receive from you, medical professionals who have provided care to you and insurance support organizations, regarding your health.

How Long Do You Retain My Information

We retain your personal data for as long as reasonably necessary to fulfill the purpose for which it was collected or to comply with legal, regulatory, or internal procedures or obligations.

How We Protect Your Information

Our customers are our most valued assets. Protecting your privacy is important to us. We restrict access to personal information to those individuals, such as our employees and agents, who provide you with our products and services. We require individuals with access to your information to protect it and keep it confidential. We maintain physical, electronic, and procedural safeguards that comply with applicable regulatory standards to guard your nonpublic personal information. We do not disclose any nonpublic personal information about you except as described in this notice or as otherwise required or permitted by applicable law.

Information We Disclose

We may disclose the nonpublic personal information we collect about you, as described above, to our affiliates, to companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements, and to other third parties, all as permitted by law and for our everyday business purposes, such as to process your transactions and maintain your accounts and insurance policies. Many employers, benefit plans or plan sponsors restrict the information that can be shared about their employees or members by companies that provide them with products or services. If you have a relationship with Farmers

or one of its affiliates as a result of products or services provided through an employer, benefit plan or plan sponsor, we will follow the privacy restrictions of that organization.

We are permitted to disclose personal health information:

- (1) to process your transaction with us, for instance, to determine eligibility for coverage, to process claims or to prevent fraud.
- (2) with your written authorization, and
- (3) otherwise as permitted by law.

When you are no longer our customer, we continue to share your information as described in this notice.

Sharing Information with Affiliates

The Farmers Insurance Group[®] of Companies includes affiliates that offer a variety of financial products and services in addition to insurance. Sharing information enables our affiliates to offer you a more complete range of products and services.

We may disclose nonpublic personal information, as described above in Information We Collect, as permitted by law to our affiliates, which include:

- Financial service providers such as insurance companies and reciprocals, investment companies, underwriters, and brokers/dealers.
- Non-financial service providers, such as data processors, billing companies and vendors that provide marketing services for us.

We are permitted by law to share with our affiliates information about our transactions and experiences with you. In addition, we may share with our affiliates consumer report information, such as information from credit reports and certain application information, received from you and from third parties, such as consumer reporting agencies and insurance support organizations.

Important Privacy Choices

You have choices about the sharing of some information with certain parties. These choices may differ based on the particular affiliate(s) with which you do business.

For 21st Century customers: We are offering you an Opt-Out opportunity which is included with your policy documents. If you prefer that we not share your consumer report information with Farmers you may opt-out of such disclosures that is, you may direct us not to make those disclosures --other than as otherwise permitted by law. You may do so by following the procedure explained in the Opt-Out Form. You may opt-out only by returning the Opt-Out Form. We will implement your request within a reasonable time. If it is your decision not to opt-out and to allow sharing of your information with the Farmers affiliates, you do not need respond in any way.

For Bristol West customers: If you prefer that we not share consumer report information with our affiliates, except as otherwise permitted by law, you may use the Opt-out form included with your policy documents. Please verify that your Bristol West policy number is listed. If not, please add the policy numbers on the form and mail to the return address printed on the form. We will implement your request within a reasonable time after we receive it. Any policyholder may opt-out on behalf of other joint policyholders. An opt-out by any joint policyholder will be deemed to be an opt-out by all policyholders of the policy. If it is your decision not to opt-out and to allow sharing of your information with our affiliates, you do not need to request an Opt-Out or respond to us in any way.

For Farmers customers: If you prefer that we not share consumer report information with our affiliates, except as otherwise permitted by law, you may request an Opt-Out Form by calling toll free, 1-800-327-6377, (please have all of your policy numbers available when requesting Opt-Out Forms). A form will be mailed to your attention. Please verify that all of your Farmers policy numbers are listed. If not, please add the policy numbers on the form and mail to the return address printed on the form. Any policyholder may opt out on behalf of other joint policyholders. An opt-out by any joint policyholder will be deemed to be an opt-out by all policyholders of the policy issued by the affiliates listed on the Farmers Privacy Notice. We will implement your request within a reasonable time after we receive the form.

If you decide not to opt-out or if you have previously submitted a request to opt-out on each of your policies, no further action is required.

Additionally, under the California Consumer Privacy Act ("CCPA"), California residents have the right to opt out of the sale of personal information to certain third parties. Although we do not currently share personal information in a manner that would be considered a sale under CCPA, you may still submit a request to opt out by calling us at 1-855-327-6548 or submitting a request through our CCPA Web Form at <https://www.farmers.com/california-consumer-privacy/>.

Modifications to our Privacy Policy

We reserve the right to change our privacy practices in the future, which may include sharing nonpublic personal information about you with other nonaffiliated third parties. Before we make any changes, we will provide you with a revised privacy notice and give you the opportunity to opt-out of, or, if applicable, to opt-in to that type of information sharing.

Website and Mobile Privacy Policy

Our Enterprise Privacy Statement includes our website and mobile privacy policies which provides additional information about website and mobile application use. Please review those notices if you transmit personal information to us over the Internet through our websites and/or mobile applications

Recipients of this Notice

While any policyholder may request a copy of this notice, we are providing this notice to the named policyholder residing at the mailing address to which we send your policy information. If there is more than one policyholder on a policy, only the named policyholder will receive this notice. You may receive more than one copy of this notice if you have more than one policy with us. You also may receive notices from affiliates, other than those listed below.

More Information about these Laws?

This notice is required by applicable federal and state law. For more information, please contact us.

Signed

Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange, Mid-Century Insurance Company, Farmers Insurance Company, Inc. (A Kansas Corp.), Farmers Insurance Company of Arizona, Farmers Insurance Company of Idaho, Farmers Insurance Company of Oregon, Farmers Insurance Company of Washington, Farmers Insurance of Columbus, Inc., Farmers Insurance Hawaii, Inc., Farmers New Century Insurance Company, Farmers Services Insurance Agency, Farmers Specialty Insurance Company, Farmers Texas County Mutual Insurance Company, Farmers Financial Solutions, LLC (a member of FINRA and SIPC)*, FFS Holding, LLC, Illinois Farmers Insurance Company, Mid-Century Insurance Company of Texas, Texas Farmers Insurance Company, Civic Property and Casualty Company, Exact Property and Casualty Company, and Neighborhood Spirit Property and Casualty Company, American Federation Insurance Company, 21st Century Advantage Company, 21st Century Assurance Company, 21st Century Casualty Company, 21st Century Centennial Insurance Company, 21st Century Insurance & Financial Services, Inc., 21st Century Insurance Company, 21st Century North America Insurance Company, 21st Century Premier Insurance Company, Hawaii

Insurance Consultants Ltd., American Pacific Insurance Company, Inc., Bristol West Casualty Insurance Company, Bristol West Holdings, Inc., Bristol West Insurance Company, Bristol West Insurance Services of California, Inc., Bristol West Insurance Services, Inc. of Florida, Bristol West Preferred Insurance Company, BWIS of Nevada, Inc.; Coast National Holding Company, Coast National Insurance Company; Foremost County Mutual Insurance Company, Foremost Insurance Company Grand Rapids, Michigan, Foremost Lloyds of Texas, Foremost Property and Casualty Insurance Company, Foremost Signature Insurance Company, and Security National Insurance Company (Bristol West Specialty Insurance Company in TX), Farmers Property and Casualty Insurance Company, Farmers Casualty Insurance Company, Farmers Group Property and Casualty Insurance Company, Economy Fire & Casualty Company, Economy Preferred Insurance Company, Farmers Lloyds Insurance Company of Texas, Economy Premier Assurance Company, Farmers Direct Property & Casualty Insurance Company, Toggle Insurance Company.

The above is a list of the affiliates on whose behalf this privacy notice is being provided. It is not a comprehensive list of all affiliates of the companies comprising the Farmers Insurance Group of Companies.

*For more background information on Farmers Financial Solutions, LLC ("FFS") or its registered representatives/Agents, visit FINRA's BrokerCheck at www.finrabinvestorcheck.com or call the BrokerCheck toll free hotline at (800) 289-9999. You may obtain information about the Securities Investor Protection Program (SIPC) including the SIPC brochure by contacting SIPC at (202) 371-8300 or via the internet at www.sipc.org. FFS is registered with the US Securities and Exchange Commission and the Municipal Securities Rulemaking Board (MSRB). The MSRB website is accessible at www.msrb.org and includes an Investor Brochure that describes the protections that may be provided by the MSRB and how to file a complaint with the appropriate regulatory authority.

2023 Exchange Update

Dear Fellow Farmers Insurance Exchange Member:

As we close the books on 2022, Farmers Insurance Group® continues to provide its customers with coverage options to help them manage risk and meet their insurance needs. We strive to deliver the best value and experience to every customer we're privileged to serve. Farmers appreciates your business and looks forward to continuing to earn your confidence for many years to come.

Farmers Insurance Exchange is one of the insurers comprising Farmers Insurance Group®. Farmers Insurance Exchange along with Fire Insurance Exchange and Truck Insurance Exchange, and their subsidiaries and affiliates, provide automobile, homeowners, personal umbrella, and business owners insurance. For more information, please visit farmers.com.

Recent Developments

- We have transitioned to new Farmers Group, Inc. CEO Raul Vargas as former CEO Jeff Dailey retired after 11 years as CEO on December 31, 2022.
- Farmers expanded on its digital focused eCheckout initiative to improve customers' purchase and onboarding experience. eCheckout is now available in 26 states for Farmers auto, home, renters, condo, and umbrella products.
- In a year of elevated weather catastrophes, Farmers responded with our award-winning Catastrophe team to serve our customers and help communities in need, including during Hurricane Ian where Farmers was the first insurer on the scene.

Better Together

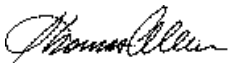
- Farmers became the first U.S. based insurer to sign the United Nations Principles for Sustainable Insurance.
- Farmers updated its "Diversity & Inclusion" commitment to "Diversity, Equity, Inclusion & Belonging". The addition of Equity and Belonging emphasizes the importance of both within the Farmers culture.
- Farmers Claims introduced enhanced customer service options for Spanish speaking customers by providing Spanish survey options and introducing a new bilingual skillset option.

Your Voting Rights

As a member of Farmers Insurance Exchange, you have the important right to vote for representatives of the Exchange Board of Governors. To ensure that all our customers have an opportunity to exercise their voting rights, we now have three ways in which you can cast your votes. You may vote in person at the Annual Meeting of Members of Farmers Insurance Exchange, appoint a proxy to act on your behalf by requesting and returning a completed proxy form, or conveniently cast your votes online through your Farmers.com account. Additional information on Farmers Insurance Exchange and your voting options can be found in the FAQs on the other side of this page.

Thank you for your ongoing support and participation.

Sincerely,



Thomas G. Allen
Chair of the Board of Governors of Farmers Insurance Exchange

2023 Exchange Update (continued)

FREQUENTLY ASKED QUESTIONS

As a member of Farmers Insurance Exchange, we want you to understand the basics of the operation of an Exchange because, as you will see below, you are an owner of the Exchange.

What is an Exchange?

An Exchange is an insurance organization, which operates in most ways like any other insurance company, but with a few key differences. Farmers Insurance Exchange was organized under a provision in the California Insurance Code, which allows insureds to "exchange" policies with other insureds. Because the insureds cannot practically be involved in actually issuing policies, collecting premium, paying commissions to agents, etc., they appoint a third party - called an "attorney-in-fact" (AIF) - to perform those duties on their behalf for a fee. That appointment is made through a document called a "Subscription Agreement." You were asked to sign a Subscription Agreement at the time you applied for insurance with Farmers Insurance Exchange and that is how you became a member (aka subscriber).

Who owns the Exchange?

You do. Subscribers of the Exchange are owners until such time as they no longer have insurance from the Exchange. Subscribers elect a Board of Governors which supervises the financial affairs of the Exchange and the performance of the AIF in conformity with the Subscription Agreement terms.

Why is an AIF fee paid to Farmers Underwriters Association (FUA)?

Under the Subscription Agreement mentioned above, members appoint FUA to perform certain of the tasks, such as policy issuance and collection of premium, which are involved in running an insurance operation. The Subscription Agreement specifies an AIF fee of 20 percent of premium, although FUA has taken less than that amount.

What is FUA?

FUA is the business name utilized by Farmers Group, Inc. (FGI) to describe its functions as the AIF for Farmers Insurance Exchange. FGI is part of the Zurich Insurance Group, Ltd (ZIG), a Swiss company. Neither FUA, FGI nor ZIG has any ownership interest in Farmers Insurance Exchange, which is owned by its subscribers (insureds).

How was your premium dollar spent by Farmers Insurance Exchange in 2022?

Your premium dollar covers Exchange costs including losses incurred, acquisition costs, taxes, license fees, the AIF fee, and any contributions to surplus. For 2022, the AIF fee was 12.3% of the premium dollar, which included the AIF profit of 6.59% of the premium dollar for that year.

Can the Exchange lose money?

If premiums collected exceed claims payments and other expenses (including the fee for the AIF), then the Exchange retains those net premium earnings (as contributions to surplus). If premiums are not sufficient to cover claims and expenses, the Exchange will lose money. That's one reason it is important to build surplus to pay future losses. The AIF does not participate in claims losses and does not enjoy any net premium earnings. Importantly, subscribers are not responsible for any losses the Exchange might suffer.

How can I exercise my right to vote?

You may exercise your voting rights in any of the following ways:

1. By attending the annual members' meeting in Woodland Hills, CA on March 18, 2024 at 2 PM,
2. Electronically through your Farmers.com account (voting will be available from January 1, 2024 to March 8, 2024 and you will be required to create a Farmers.com account if you do not already have one), or
3. Through mail by requesting a paper proxy from the Subscriber Relations Office (completed proxies must be received by March 8, 2024)

Where can I get more information about the Exchange, or obtain a paper proxy?

You can go to www.farmers.com/about-us for most questions. If you have additional questions or want to obtain a paper proxy along with a postage paid envelope to confidentially return your proxy, please contact:

Subscriber Relations Office
Farmers Insurance Exchange
Attn: Corporate Secretary
P.O. Box 4461
Woodland Hills, CA 91365
Subscriber.relations@farmersinsurance.com